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European Assembly Elections

The Conservative Party won 60 seats in the elections for the European Assembly held in Britain on 7 June compared with 17 seats for the Labour Party and one for the Scottish National Party. The other three of the 81 British seats in the new 410-member Assembly were won by parties in Northern Ireland.

The table below shows the number of seats obtained by each party:

	Seats
Conservative	60
Labour	17
Scottish National	1
Democratic Unionist (Northern Ireland)	1
Social Democratic and Labour (Northern Ireland)	1
Official Unionist (Northern Ireland)	1
	81

The total number of people entitled to vote in the elections was about 41·5 million, and in England, Scotland and Wales 32·1 per cent of the electorate voted. The percentage of votes cast for the main parties was as follows:

Conservative	50·6
Labour	33·0
Liberal	13·1
Scottish National	1·9
Others	1·4

In Northern Ireland, where a system of proportional representation was used, the percentage of the electorate that voted was 56·9, and the number of votes cast for the three candidates who won seats was as follows[1]:

Democratic Unionist	170,688
Social Democratic and Labour	146,073
Official Unionist	153,466

Details of the overall composition of the new European Assembly will be covered in a subsequent issue of *Survey of Current Affairs*. (For information on the arrangements in Britain for the holding of the elections for the European Assembly and general background see pp 83-5.)

[1]Under the voting system used successful candidates have to achieve a certain number of votes. The Democratic Unionist candidate achieved the quota on the first count, the Social Democratic and Labour candidate on the second count, and the Official Unionist candidate on the sixth count. The figures shown relate to these various stages.

Northern Ireland

The Secretary of State for Northern Ireland has outlined the new Government's approach to the affairs of the Province, referring in particular to the economy, education and housing.

A survey of government policies for Northern Ireland was made by the Secretary of State for Northern Ireland, Mr Humphrey Atkins, in a speech to the Northern Ireland Chamber of Commerce and Industry on 30 May. He said that the Conservative Party had helped to create and support a bi-partisan policy in Parliament over the last few years. It had supported the previous Government in its efforts to end violence and bring before the courts those who had caused so much misery. The new Government was resolved to continue this policy relentlessly and would work to maintain a bi-partisan approach to political development. The Secretary of State had already held exploratory talks with the major political parties and knew that there were no easy solutions. He wanted to take a 'realistic, step by step approach' which would fit in with the mood of the people of the Province who, while seeking advance, would 'distrust any dramatic overnight change'.

Mr Atkins said that the Government's policies would apply to Northern Ireland as to every other part of the United Kingdom, but would pay regard to the special problems of the Province and would take fully into account the many differences between Northern Ireland and the rest of the United Kingdom. The Government would not wish to change for the sake of change, but would retain the best and build on it in the interests of the whole community.

Public Expenditure

Discussing the Government's commitment to cutting public expenditure, Mr Atkins said that it was fundamental to the Government's philosophy that the maintenance of law and order should be treated as a special case. For Northern Ireland this

was a dominant factor. The Province would share in the proposals for cutting public expenditure and would share in the benefits the cuts would make possible. However, he had authorised a number of exceptions to the temporary freeze in Civil Service recruitment recently announced. The freeze would not apply in Northern Ireland to police and prison officers and to supporting civilian staff, nor to a range of other essential posts.

Industry

Turning to industry, Mr Atkins said that the Government recognised that it needed and would continue to receive active government support. Unemployment was at a distressingly high level and had to be brought down. Ways were being considered of maintaining the momentum of Northern Ireland's excellent development record so that new industries were attracted and existing plants encouraged to expand. In 'selling' Northern Ireland to potential investors the high quality of the workforce was a vital factor. The new investment that had come to the Province in spite of the troubles was an eloquent testimony to the quality of the skills there. The well-being and expansion of existing industry was equally important, and announcements were soon to be made about expansions in existing firms which would produce over 300 new jobs.

Education

On the question of education Mr Atkins believed that far too much had been said in recent years about structure and far too little about the quality of education. The Government was firmly committed to concentrating on quality. Mr Atkins had already been impressed by what he had learned of Northern Ireland's education service; the examination results in all types of school, the number of children going on to further education and the generally high standards of literacy and numeracy spoke for themselves. The Secretary of State for Education and Science had published a Bill to remove the compulsion on local education authorities in England and Wales, under the Education Act 1976, to reorganise secondary education on comprehensive lines (see p 165). The principles underlying the decision to remove compulsion in England and Wales applied equally to education in Northern Ireland although there was no legislation in the Province equivalent to the 1976 Education Act. However, the invitation extended to the education and library boards in Northern Ireland by the previous administration to plan the restructuring of secondary education in their areas along comprehensive lines was now being withdrawn. If local communities wished to suggest reorganisation – in whatever direction – because they believed it to be in the best interests of the local schools they were free to do so, but the Secretary of State said that he would be sorry to see change for the sake of change in educational arrangements which had been responsible for the outstanding achievements of children and students in Northern Ireland. The immediate priority was to settle for the 1980-81 school year the arrangements for transfer from primary to secondary education.

Housing

On the subject of housing Mr Atkins said there was a difference of view between the main political parties at Westminster on the sale of public housing (see p 167), although this was an area where the Province avoided the full application of the last Government's approach. The present Government believed that publicly owned rented housing was right for many people and that it must be available for those who needed it. Wherever possible, however, the Government wanted to encourage owner-occupation. The sale of council houses made economic sense both for the individual and for the community as a whole. Government policy on the sale of council houses would apply in Northern Ireland as everywhere else. Tenants of the Northern Ireland Housing Executive would be entitled to buy their houses on similar terms as council house tenants in Great Britain.

In conclusion Mr Atkins said that it was part of his party's fundamental philosophy that there was a severe limit to what government can achieve in improving the quality of life, and he asked all the people of the Province to work with the Government for a better future. The Government planned to show in preserving the peace, in developing political institutions and in creating economic opportunity that it was completely committed to the good of Northern Ireland.

EXTERNAL AFFAIRS AND DEFENCE

The Queen's Visit to Denmark

The Queen, accompanied by the Duke of Edinburgh, paid a state visit to Denmark from 16 to 19 May. The Queen had previously made an official visit to Denmark in 1957, and in 1974 Queen Margrethe and the Prince Consort visited Britain.

Speech in Copenhagen

In a speech at a state banquet in Copenhagen on 16 May, the Queen spoke of the links that had bound Britain and Denmark for many centuries, and said that since her previous visit there had been 'a dramatic development' with the accession of both countries to the European Community in 1973. 'Today in Britain', the Queen continued, 'our commitment to the European Community and its future success is firm.' Membership had involved changes of emphasis in the country's international relations and in its pattern of trade and industry, some of which had not been easy. Britain, however, had accepted them because it believed that 'the Community [had] a really important part to play internationally'.

Just as Denmark acted as a link between the Community and the Nordic countries, so Britain had a special responsibility for helping to establish a satisfactory relationship between the Community and the Commonwealth. Both countries could therefore work together for 'constructive and outward-looking policies by the Community countries', especially concerning co-operation on foreign policy.

The Queen ended her speech by noting the strength and closeness of the relationship of the two countries, allied to the 'deep-rooted understanding and respect' between their peoples. 'I hope that such mutual confidence', she said, 'will help us to work closely together within the European Community and other international organisations for the peace and prosperity of this great continent of Europe.'

Economic Background

British exports accounted for about 11·5 per cent of the Danish market in 1978, representing just over £800 million. Principal exports consist of petroleum and petroleum products, machinery, transport equipment and chemicals. Invisible earnings include insurance and tourism, with 260,000 Danes visiting Britain in 1978, about one in 20 of the total population.

Britain is Denmark's second largest market and took goods worth £962 million in 1978. Agricultural and dairy products accounted for the largest proportion, with Britain buying nearly one-third of Denmark's total meat and dairy exports.

Britain's Foreign and Defence Policies

The foreign and defence policies of the new British Government were outlined by the Secretary of State for Foreign and Commonwealth Affairs, Lord Carrington, in the House of Lords on 22 May[1] during the debate on the Queen's speech. Speeches by the Lord Privy Seal, Sir Ian Gilmour, the Government's principal spokesman in the House of Commons on foreign affairs, and by the Minister of State at the Ministry of Defence, Lord Strathcona, on 18[2] and 22[3] May respectively, also dealt with these matters.

Elements of Continuity

Lord Carrington began by emphasising the element of continuity in Britain's foreign policy. As a medium-sized industrial country, Britain's basic objective was to influence the international environment so that its people could prosper in peace and security. The scope for pursuing this objective was limited by political, economic and other constraints, which varied only slowly with the passage of time. As a result, successive British governments had, broadly speaking, pursued similar policies abroad. This 'broad continuity of policy', the Foreign Secretary stated, was 'a source of real strength and stability', providing reassurance to Britain's friends and allies and discouragement to those who wished it ill by trying to exploit its domestic differences.

Some of the elements of this continuity in policy were identified by Sir Ian Gilmour. Since 1973, he pointed out, 'membership of the European Community had been central to the conduct of British foreign policy', and this European com-

[1] *Hansard, HL*, cols 233-45
[2] *Hansard*, cols 555-69
[3] *Hansard, HL*, cols 425-32

mitment had gone hand in hand with the continuation of steadfast relations with the United States and with Britain's membership of the North Atlantic Treaty Organisation (NATO), 'the cornerstone of Britain's security'. Another important area of continuity was Britain's membership of the Commonwealth, a unique organisation which the Government believed 'could – and now will – play a more central role in international affairs and in British foreign policy'. Similarly, the United Nations had been 'a cornerstone of British foreign policy since 1945', and the Government intended to participate fully in its work, accepting in particular the special responsibilities of Security Council membership to play an active part in the prevention and settlement of international disputes. Nor would it neglect the economic and social areas of the organisation's activities. Finally, Sir Ian pointed to the recognition of the fact of international economic interdependence as another element of continuity, and the importance of this to Britain, a major trading nation which needed secure access to raw materials, outlets for exports and stable conditions for investment. There was, he added, a mutual self-interest in creating stronger links between developed and developing countries through the North-South dialogue.

Security

Security was the necessary condition of all successful foreign policy, Lord Carrington told the House of Lords, and the avoidance of war was the Government's prime purpose. In pursuit of this Britain had, in addition to maintaining effective armed forces, always sought a network of alliances with its friends, as well as seeking better understanding with its potential enemies. The appalling destructiveness of modern weapons had also added new urgency to the pursuit of arms limitation. It was these considerations that conditioned the Government's approach to the linked issues of *détente,* defence and arms control.

NATO, Lord Carrington stated, was the basis of Britain's defence arrangements, and, while the military balance in Europe continued to turn against NATO (see pp 51-2), the Government had no choice but to do what was necessary to maintain its defence arrangements with its allies. Taking up this point, Lord Strathcona explained that the Government intended to strengthen Britain's contribution to NATO. In this context, he pointed to the resolve within NATO to meet the challenge posed by the Soviet arms build up, and welcomed the decisions taken by the NATO defence ministers at their recent meeting in Brussels to intensify efforts to enable defence expenditure to increase by about 3 per cent annually in the years up to 1986; to work for an effective follow-through to the long-term defence programme; and jointly to fund a new five-year alliance infrastructure programme for the period 1980-84, at a substantially increased level (see p 151). The Government's objective, Lord Strathcona continued, would be to strengthen this resolve and to do all it could to promote the aims of the alliance. In particular, it intended to devote a high proportion of defence expenditure to improving equipment and, in so doing, to exploit opportunities for collaborating in equipment programmes with its allies, thereby making the best use of resources. The Government was also concerned to maintain the effectiveness of all three elements of the NATO triad of forces, that is, the strategic and theatre nuclear systems as well as conventional defence. It was necessary to continue to modernise NATO nuclear forces, not only to preserve the spectrum of deterrence in a military sense but also to demonstrate Britain's clear resolve to take together with its allies the steps necessary to ensure NATO's collective security. Britain had an important responsibility and a role to play in this and would not shirk its responsibilities. Britain would also seek to improve the personnel strengths of the armed services by improving service conditions. (For further information on Britain's role in NATO, see p 148.)

Lord Carrington explained that these defensive measures needed to be matched by negotiations for arms control measures which would maintain the balance of security at a lower level of risk and at a lower level of expense. There was no contradiction in this. Unless military arrangements were convincing, there could be no real bargain to strike between the opposing forces, and no sensible way of negotiating security at a lower level of military confrontation. The Government supported a prudent limitation of strategic arms, and looked forward to the early signature and ratification of the second Strategic Arms Limitation Treaty.[1] Britain was also participating constructively in the negotiations for a comprehensive test ban treaty and mutual and balanced force reductions in Europe (see pp 384-7, 1978). In so doing, the Government would not lose sight of the need for balance, for 'arms control arrangements which are not carefully worked out in detail and which favour one side rather than another, in the end contribute neither to our own security nor to the peace of the world as a whole'.

In his speech, Sir Ian Gilmour drew attention to the importance which Britain attached to preventing nuclear proliferation, and said that it would play a full part in the 1980 review conference of the non-proliferation treaty.

With regard to *détente,* which he described as 'the political facet of this complex of security issues', Lord Carrington said that there was no country whose people would not profit from a relaxation of military, political and ideological tension, from the growth of trade, and from the exchange of ideas and people. But the obligation to work for a relaxation of tensions was mutual. It could not be selective, and it had to apply to all parts of the world and to all countries. It was with this in mind that Britain approached its relations with the Soviet Union. The Government would look at the totality of the policies which the Soviet Union pursued at home, in Europe and further afield, but its firm intention was to work for a stable and mutually advantageous relationship with that country.

[1]This is due to be signed by the United States and the Soviet Union in Vienna in mid-June.

The European Community

Noting that Britain's political strength and economic well-being rested on its relationship with its neighbours in Europe, Lord Carrington emphasised that the Government was determined 'to engage actively with [its] partners in developing the European Community in the interests of all its members'. It was in this co-operative framework that they could best construct a Europe in which future generations would live and prosper. The enlargement of the Community to include Greece,[1] Spain and Portugal, and the direct elections to the European Assembly (see p 143), were welcomed by the Foreign Secretary as signs of the Community's willingness and ability to accept new challenges and thus to demonstrate its continuing political dynamism.

At the same time, Lord Carrington stated, the healthy development of the Community was subject to one essential condition: that 'it must reflect a broad balance of the aspirations and interests of each of its members, and match the rights and obligations of them all'. While recognising that the Community was more than the sum of its parts and that there were many intangible benefits which far outweighed the costs, he pointed out that 'the present balance of the Community's policies did not meet this basic condition', but instead produced 'serious anomalies which it must be in the long-term interest of the whole Community to rectify'. Illustrating this point with reference to the pattern of payments through the Community's budget, Lord Carrington said that, depending on the calculation used, Britain would soon become the largest or the second largest contributor to the budget, even though in terms of *per capita* income and gross national product it was only the seventh largest Community member. In 1980 its net contribution could reach more than £1,000 million, on top of which there would be substantial resource costs. This situation was 'quite contrary to the Community's aim of bringing about a greater convergence of economic performance between its members', and was sufficient evidence of a serious weakness in the Common Agricultural Policy which accounted for by far the largest proportion of the transfers within the Community. The Government would work to reform the operations of the Common Agricultural Policy to the benefit of all concerned. Its immediate and overriding aim would be to eliminate costly and unwanted surpluses, and in this context it welcomed the European Commission's proposal for freezing prices. Thereafter, it would look for the development of policies which balanced more successfully than hitherto the interests of the Community's consumers with the legitimate interests of the Community's farmers, Britain's included. Lord Carrington believed that Britain's partners recognised that mutually satisfactory solutions were needed if the Community was to prosper and that they would respond to the attitudes adopted by Britain which were both constructive and, he hoped, persuasive.

[1]The Acts relating to Greece's accession to the European Community in 1981 were signed by Greece and Community members on 28 May.

The Government's co-operative approach to the Community was also emphasised by Sir Ian Gilmour when outlining Britain's policy on other aspects of Community affairs. In particular, he pointed to the great importance Britain attached to the efforts of its nine members to co-ordinate their foreign policy in the framework of political co-operation, and its readiness to play a leading role in pursuit of such co-ordination. With regard to the common fisheries policy, which had not yet been revised to take account of the move to 200-mile fishing limits, Sir Ian said that Britain would pursue the negotiations as a matter of priority and in a co-operative spirit, but added that Britain's legitimate interests must be appropriately recognised if a settlement was to be fair and lasting. He also announced that the Government would look afresh at the European Monetary System (see p 5) and the question of Britain's participation in it, and would make its decision known by September. Finally, Sir Ian stressed the importance Britain attached to the current negotiations for a successor to the Lomé Convention, especially because two-thirds of the Commonwealth's members were participating in them.

The Middle East

Both Lord Carrington and Sir Ian Gilmour spoke of the importance of the Middle East to Britain. The Government intended to give high priority to the search for a Middle East peace settlement that would enable all the peoples of the area to live in peace and security, and believed that its contribution to this could be made most effectively in co-operation with the United States and its partners in the European Community. Such a settlement had to deal satisfactorily with all aspects of the dispute. Thus, while the Government welcomed the recent peace treaty between Egypt and Israel (see pp 91-2), it recognised that this was only a partial step towards a comprehensive settlement and a solution of the Palestinian problem. The latter lay at the heart of the issue and, if the momentum established by the peace treaty was to be maintained, it was vital that the coming negotiations on the future of the West Bank and Gaza should result quickly in their achieving full and genuine autonomy as a step towards determining their final status. Only this would give the Palestinians ground for hopes that their legitimate aspirations could be achieved and UN Security Council resolution 242 implemented in all its parts. These negotiations would also be helped if Israel ended the expansion of its settlements in the occupied territories. The British Government was firmly opposed to Israel's settlement policy which was not only contrary to the Geneva conventions, but was also 'a truly major obstacle to the building of trust in the area, and, therefore, to peace'.

Southern Africa

Lord Carrington emphasised the Government's objective to promote peaceful settlements of the related problems of Namibia and Rhodesia which would have the widest possible international recognition. With regard to Namibia, Britain believed that implementation of the five powers' proposal

for elections under United Nations supervision remained the best solution. As for Rhodesia, the new situation following the internal elections (see pp 122-3) demanded a new approach, and one which would respect the wishes of the people of Rhodesia and seek to build on the progress already made in that country. To this end, the Government had embarked on a process of discussions with its allies and its partners in the Community and the Commonwealth, and was taking steps to keep itself better informed as to developments in Rhodesia. (For a fuller account of the Government's policy, see p 151.)

Other Areas

Welcoming the recent improvement in Britain's relations with China, Lord Carrington pointed out that a stable and prosperous China would contribute to international stability. At the same time, he said that, in building its political and commercial links with China, Britain would not overlook areas where there was a divergence of policies. Nor would it allow relations with China to complicate, or be complicated by, Britain's relations with other Asian states, such as those in the increasingly important grouping of the Association of South-East Asian Nations (ASEAN), or beyond. Lord Carrington also referred to the importance of Britain's relations with Japan, the second largest industrialised democracy in the world.

Britain, Sir Ian Gilmour told the House of Commons, looked forward to a return of stability and confidence in Iran, and hoped that the Iranian Government would prove faithful to the spirit of justice and human rights in which the revolution had been launched. It welcomed the calls of leading figures in Iran for the exercise of moderation and the due process of law.

North Atlantic Treaty Organisation

The regular six-monthly ministerial meetings of the North Atlantic Treaty Organisation (NATO) took place in May. The ministers held discussions and reached agreement on a number of issues, including East-West relations, arms control and disarmament, and defence. This article summarises statements made at the meetings by Britain's Foreign Secretary and the most important discussions and decisions.

NORTH ATLANTIC COUNCIL

The North Atlantic Council meeting, attended by the foreign ministers of member countries, took place on 30 and 31 May.

Lord Carrington's Statements

Britain's Foreign Secretary, Lord Carrington, speaking as the Council's President at the meeting's opening ceremony, pointed to NATO's achievement in maintaining peace between East and West and preserving democratic values. NATO was not only the West's 'main instrument for defence but also the essential platform for *détente*'. The British Government gave 'a very high priority indeed' to surmounting the problems facing NATO and keeping the Alliance secure and vigorous.

In a later contribution, Lord Carrington pointed out that the overwhelming majority of Britain's forces were committed to the Alliance. The greater part of Army combat strength, supported by the Royal Air Force, was deployed on mainland Europe. In addition, Britain supplied most of the ships guarding the vital sea bridge between Europe and North America. 'To reaffirm the United Kingdom's total commitment to the Alliance, and all it has come to stand for', he said, 'is therefore my first . . . task.'

Since taking office early in May the new Government had made defence a chief priority. 'It will do what is necessary to improve the nation's security and to strengthen the British contribution to NATO.' The Foreign Secretary recalled that servicemen's pay had already been increased,[1] and stated that the effectiveness of Britain's nuclear deterrent would be maintained. To achieve the required improvements in defence, it was necessary to build up a vigorous economy, and the Government planned to do this.

Lord Carrington added that the Government planned to make 'a determined contribution' to improve East-West relations. Strong defence, far from being incompatible with genuine co-operation on arms control and disarmament, was, on the contrary, an essential complement of it. Only from a strong base could the Alliance work to make East-West relations 'more stable, predictable and fruitful'. He had joined the NATO Council at a time when vital Western interests had increasingly appeared to be at risk due to the growth of Soviet armaments which now faced the Alliance with crucial decisions. Some decisions, relating to NATO's conventional military response, had already been taken (see pp 5-8). Others, particularly its credibility in the face of Warsaw Pact nuclear weapon modernisation, were still awaited.

The Communiqué

The communiqué issued at the end of the meeting is summarised in this section.

NATO's 30th Anniversary

The communiqué states: 'Commemorating the 30th anniversary of the Alliance, ministers expressed their deep satisfaction at the decisive contribution the Alliance had made to the maintenance of peace in Europe, and thereby to the security and economic and social advancement of their countries. They renewed their faith in the

[1] In a statement issued on 10 May, the Government announced that one of its first tasks must be to stop the outflow of personnel from the armed forces, and that it was implementing in full, with effect from 1 April, the Armed Forces Pay Review Body's recommendations for an average net pay increase of 32·5 per cent. The statement concluded: 'Having thus fulfilled its undertaking [given while in opposition] by restoring the pay of servicemen to the level of their counterparts, it is the Government's intention to maintain it thereafter at those levels.'

purposes and principles of the Alliance, and pledged the continuing dedication of their countries to democracy, individual liberty and the rule of law.'

Economic Co-operation and Assistance

The ministers 'recognised the continued urgency of making economic assistance available to members of the Alliance experiencing severe difficulties and the necessity of finding practical solutions to this problem' (see p 6).

East-West Relations

The ministers expressed their confidence that the Alliance 'will continue to ensure the security of its members by pursuing the complementary aims of deterrence and *détente*, thus contributing to peace and stability'. 'They noted . . . certain signs in recent statements which might indicate a desire on the part of the Warsaw Pact countries to make efforts towards a better situation. At the same time they noted the persistence of . . . the ceaseless growth of the military power of these countries and its projection abroad. In the face of these facts, ministers underlined the importance of continued steadfastness and solidarity among the members of the Alliance, coupled with a sustained defence effort.' While recalling that *détente* is an indivisible process, the ministers expressed their determination to continue their efforts 'to strengthen confidence in international relations'.

The ministers welcomed the agreement reached between the United States and the Soviet Union in the Strategic Arms Limitation Talks (SALT II). (The United States Government had announced on 9 May that the two countries had concluded the negotiations. See also pp 384-5, 1978, p 6 and footnote on p 146.) 'They agreed that a balanced limitation of the nuclear weapons capabilities of the Soviet Union and the United States will make an important contribution to East-West relations and security.' They stressed the importance of continuing the discussions which had been held within the Alliance on issues arising from the talks.

In a reference to the Conference on Security and Co-operation in Europe (CSCE – see p 6), the ministers again emphasised that progress on implementation of the Final Act was essential for the continuation of the CSCE process. While there had been progress in some sectors, 'the situation in others, notably that of human rights and fundamental freedoms, remained largely unchanged and had, in some instances in the field of information, deteriorated'. In this respect, the ministers 'noted with special concern the restrictions recently imposed by some States participating in the CSCE on the working conditions for journalists'. (New restrictions on foreign journalists working in the German Democratic Republic were reported in April.) They expressed the hope that, at the CSCE follow-up meeting in Madrid in 1980, it would be possible to achieve progress on the development of confidence-building measures, and 'stressed the importance of maintaining a balance among all the sections of the Final Act and their determination to continue efforts to achieve full implementation of all its principles and provisions'.

On Berlin, the ministers expressed satisfaction with the continuation of a calm situation in the city and on the access routes, and 'emphasised the importance which the maintenance of an undisturbed Berlin situation continues to have for *détente* and stability in Europe'.

Arms Control and Disarmament

The communiqué states that ministers of countries participating in the negotiations on Mutual and Balanced Force Reductions (MBFR, see p 11, 1978, and pp 6-7) 'expressed their disappointment at the absence of significant progress in spite of the efforts made by the Western negotiators'. They referred to 'important moves' by the Western side – made since their last meeting – on the main unresolved questions, and called on the Eastern side to 'respond positively'. They stressed the importance of associated measures aimed at the promotion of military stability and confidence and the ensuring of verification of an eventual agreement, and emphasised 'the significance of undiminished security for the flank countries'.

The ministers 'reaffirmed their determination to explore all avenues in the pursuit of realistic and verifiable disarmament and arms control measures', and recalled that consultations on these matters were taking place within the permanent machinery of the Alliance. They decided to continue their examination of the proposals made by France in May 1978 to all the European States, as well as to the United States and Canada, designed to build confidence and reduce conventional weapons throughout Europe.

NATO Defence

The ministers 'again voiced their concern at the continued growth in Warsaw Pact military power beyond levels justified for defensive purposes', and particularly at 'the growing Soviet theatre nuclear capabilities'. While expressing their determination to pursue all aspects of *détente*, the ministers 'underlined the need to continue to devote the resources necessary to modernise and strengthen Allied capabilities to the extent required for deterrence and defence'.

On the subject of equipment co-operation, the ministers 'noted that good progress was being made both in establishing new joint programmes for individual items and in working out armaments planning procedures', and also in the 'transatlantic dialogue' among the European and North American members of the Alliance (see p 6).

The ministers examined reports on civil emergency planning and drew attention to the need for improving the level of civil preparedness.

The Middle East

After paying tribute to the efforts undertaken by President Carter, President Sadat and Prime Minister Begin towards the solution of the Middle East conflict (see pp 90-2), the ministers emphasised that a lasting peace in the region 'requires the participation of all the parties concerned, including representatives of the Palestinian people, in the elaboration and implementation of a comprehensive settlement of the conflict, based on United Nations resolutions 242 and 338 [see pp

1228-9, 1967, and p 442, 1973] and respect for the legitimate rights of the Palestinian people'.

Other Issues

Referring to the continuing dialogue between Greece and Turkey (see p 250, 1978), the ministers expressed the hope for 'positive and concrete results . . . in the near future'. With regard to the situation in the Mediterranean, they 'reaffirmed their conviction that the balance of forces in the whole Mediterranean region is an essential requirement for peace in the area'. They welcomed 'the intensified consideration being given by the [NATO] Science Committee to the possibilities of reducing scientific and technological disparities between member countries through co-operative activities'.

Ministers of the countries participating in the High-Level Group on Theatre Nuclear Force Modernisation and the Special Group on Arms Control, 'in line with the fundamental dual objectives of *détente* and deterrence', emphasised that the growth in Soviet theatre nuclear forces necessitated a response which combined the complementary approaches of force improvement and arms control.

DEFENCE PLANNING COMMITTEE

The meeting of the Defence Planning Committee, attended by the Alliance defence ministers, took place on 15 and 16 May. This section summarises in part the communiqué issued after the meeting.

During a discussion of the latest developments in the negotiations on Mutual and Balanced Force Reductions, the ministers 'reaffirmed the principle that NATO forces be maintained and not reduced except in the context of a Mutual and Balanced Force Reduction agreement, which must in no way diminish the collective security of the Alliance'.

Warsaw Pact Capability

The ministers noted that 'progressive force improvements permit the Soviet Union and its allies to maintain and enhance a posture well in excess of defensive requirements and from which it could initiate offensive operations with little preparation at a time and place of its own choosing'.

They 'expressed concern about recent developments in the nuclear field, particularly certain new developments in Soviet theatre nuclear capabilities. Specifically, the SS-20 missile introduces a new dimension of threat in the theatre nuclear field. For the first time a weapon on the continental scale can reach all the territories of Western Europe with multiple warheads from mobile launchers based in the Soviet Union. Also from the point of view of its greater accuracy this new weapon constitutes a qualitative change in the Soviet arsenal.' They 'noted improvements in new Soviet intercontinental and submarine-launched ballistic missiles, all with multiple independently targetable re-entry vehicles (MIRVs), which have enhanced substantially the Soviet strategic capability'.

Noting continuing improvements in the capabilities of Warsaw Pact conventional forces, the communiqué states: 'For the ground forces, these include improvements in readiness, mobility and firepower; for naval forces, the entry into service of the more advanced submarines and the construction of new classes of major surface combatants; and for the air forces, the capability to carry out deep penetration operations from home bases at higher speeds and lower altitudes and continued re-equipment with modern aircraft and new weapon systems.' The ministers 'reiterated their concern at the growing global capabilities of the Soviet naval and air forces which permit the Soviet Union increasingly to expand and develop its influence outside the NATO area, and noted that these massive Soviet defence efforts are backed by resource allocations involving increases in expenditure of 4 to 5 per cent a year in real terms and absorbing 11 to 13 per cent of their gross national product'.

NATO Defence

Against this background, the ministers approved a new ministerial guidance as 'the basic political directive for all defence planning activities, both national and international, in NATO'. In the guidance, they 'reaffirmed that the Long-Term Defence Programme [see p 52] is a moderate but firm response to the military build-up of the Warsaw Pact, and reflects a determination to use Alliance defence resources to maximum effect by greater co-operation and by long-term co-ordinated planning. They agreed to give their continued support to steps necessary for the timely implementation of the many individual measures comprising the Programme. . . .'

'NATO's defence planning must continue to be based primarily on assessments of the Warsaw Pact's capabilities rather than assumptions about its intentions' – stated the ministers – and 'NATO must continue to emphasise the strengthening of its conventional forces while maintaining credible capabilities within and linkage between the strategic nuclear and theatre nuclear force elements . . . and avoiding any lowering of the nuclear threshold'.

In the light of the substantial programmes under way in the Soviet Union to modernise and expand its theatre nuclear forces, particularly the long-range component, the ministers reaffirmed that it would be necessary to maintain and continue to modernise NATO countries' theatre nuclear forces. They emphasised the need for the parallel consideration of theatre nuclear forces modernisation and arms control, and stressed that 'no increase in overall reliance on nuclear systems or departure from existing NATO policy is envisaged'.

The ministers 'agreed that there is a need for NATO to extend progressively its co-ordinated defence planning into both a broader coverage and a longer time frame', and that procedures should be developed which would allow member countries to look to NATO to provide a framework within which national decisions on longer-term plans can be prepared.

The ministers agreed that 'nations should intensify their efforts to implement fully for the whole planning period the resource guidance of 1977 . . . in which it was decided to aim at making available resources which would allow for annual increases of defence spending in the region of 3 per cent in real terms' (see pp 251-2, 1978).

Agreement was reached on the common funding of a new five-year infrastructure programme 'at a substantially increased level'.

The ministers 'expressed their full support for the role of the Eurogroup [see below] in fostering European cohesion to the benefit of the whole Alliance'.

Portugal and Turkey

The ministers 'discussed the urgent need for external assistance to Portugal and Turkey' due to 'the difficulties of these two countries in fulfilling their [NATO defence] commitments in the light of the very severe economic constraints bearing on their defence expenditures'. They reviewed the efforts being made to assist in the provision of military aid to Turkey and Portugal and noted the progress made towards modernising the Portuguese armed forces. They 'agreed that the efforts to provide assistance, both military and economic to Portugal and Turkey should be pursued vigorously, with the widest possible participation of member countries, in order to enable these two Allies to make their full contribution to the common defence. They called for a report on the progress achieved to be prepared for their December meeting'.

Conclusion

In conclusion, the ministers 'reaffirmed that the freedom and welfare of the peoples of the Alliance as well as a successful pursuit of *détente* rests on the maintenance by NATO of an adequate deterrent and defence posture. They recognise that this is inseparable from political solidarity and mutual support among the Allies and requires that each be prepared to contribute an effort commensurate with its capabilities to NATO's one and indivisible common defence.'

EUROGROUP

The defence ministers of the Eurogroup countries – Belgium, Britain, Denmark, the Federal Republic of Germany, Greece, Italy, Luxembourg, the Netherlands, Norway, Portugal and Turkey – met on 14 May. In the communiqué issued after the meeting, the ministers 'stated their determination to continue to work together closely towards improving the defence capability of their countries in the framework of the Alliance'.

In reviewing recent work of the Eurogroup's sub-groups, the ministers noted in particular that 'agreement had been reached by the four Eurogroup countries [Britain, the Federal Republic of Germany, Italy and Norway] participating in the AIM9L (improved Sidewinder [missile]) consortium with a view to . . . production starting in Europe in late 1981'; and that the training sub-group 'has planned a range of new joint projects including the establishment of a special school for long-range reconnaissance training to start work later this year'. Preparations for joint jet pilot training are also under way.

[For background information on NATO see pp 50-2 and COI Factel, *NATO: The British Contribution,* No 659/77.]

Southern Africa

Recent moves by the Government on the questions of Rhodesia and Namibia, and a Government statement on the maintenance of trading links with South Africa, are summarised in this article.

RHODESIA

The sending of a high-level emissary to Southern Africa as part of a fresh British initiative on Rhodesia following the result of the Rhodesian elections (see p 122) was announced by the Secretary of State for Foreign and Commonwealth Affairs, Lord Carrington, on 22 May during the House of Lords debate on the Queen's speech.

Background

The elections for the Rhodesian House of Assembly under the new majority rule constitution gave 51 of the 100 seats to the United African National Council led by Bishop Abel Muzorewa. The members of the new Senate (see p 122) were chosen in May, and Mr Josiah Gumede was elected as President on 28 May at a joint sitting of the House of Assembly and the Senate. Bishop Muzorewa was sworn in as the new Prime Minister on 29 May and his government took office on 1 June.

As provided for by the new constitution, the government has a majority of black ministers, the cabinet consisting of 12 black and five white members. The United African National Council has ten of the cabinet posts held by black ministers, the other two being held by the United National Federal Party led by Chief Kayisa Ndeweni. A further two cabinet posts for black ministers allocated to the Reverend Ndabaningi Sithole's Zimbabwe African National Union remain unfilled because the party has boycotted the new Parliament in protest against alleged irregularities in the conduct of the recent election (see p 122). The five white cabinet members consist of the former Prime Minister, Mr Ian Smith, as Minister without Portfolio, and four other representatives of the Rhodesian Front.

Under the new constitution the name of the country has been changed to Zimbabwe Rhodesia.

British Policy

Addressing the House of Lords (*Hansard, HL,* cols 240-4), Lord Carrington said that, since there was now an African majority in the Rhodesian Parliament, it would be morally wrong for Britain 'to brush aside an election in which 64 per cent of the people of Rhodesia cast their vote'. Moreover, Lord Boyd and his team of observers (see p 123) had concluded that, with certain reservations, the election had been fairly conducted, that it had been as free as possible in the circumstances and that the result had represented the wishes of the majority of the Rhodesian electorate. The Government, the Foreign Secretary added, would be guided by Lord Boyd's conclusions in seeking to build on the progress which had been made in Rhodesia.

Turning to the question of contact with the Rhodesian authorities, Lord Carrington said that the Government had already sent a senior Foreign and Commonwealth Office official, Sir Antony Duff, to talk to Bishop Muzorewa and other leaders (see p 123). Describing this as an important first step, the Foreign Secretary said that another senior official would be sent to Salisbury 'to stay there for as long as necessary to maintain and develop the closest possible contact with Bishop Muzorewa and his colleagues and to report to me, travelling between London and Salisbury as often as the need arises'. (On 31 May, Mr Derek Day, an Assistant Under-Secretary in the Foreign and Commonwealth Office, left for Salisbury.)

Lord Carrington emphasised that it was Britain's responsibility to try to bring Rhodesia to legal independence in conditions which would afford the country the prospect of a more peaceful future. The Government's objective was to 'achieve a return to legality in conditions of the widest possible international recognition', and it had begun consultations with Britain's partners and allies in order to achieve 'the wide basis of recognition which we seek'.

Consultations

In his speech Lord Carrington announced that a high-level emissary would be sent to Africa in the near future to consult with the Commonwealth and other African governments most directly concerned with Rhodesia. Lord Harlech, a former deputy chairman of the Pearce Commission set up to test African opinion in Rhodesia about the 1971 terms for a settlement (see pp 237-42, 1972), has since agreed to undertake this task.

Consultations with other Commonwealth members on the Rhodesian question began on 23 May when Lord Carrington met the Commonwealth Secretary-General, Mr Sridath Ramphal, accompanied by the High Commissioners of Australia, Canada, Ghana, Guyana, India, Nigeria, Trinidad and Tobago, and Zambia. Rhodesia was also discussed by Lord Carrington and the United States Secretary of State, Mr Cyrus Vance, during two days of talks in London in late May. The British decision to send a representative to Salisbury was supported by Mr Vance who, at the end of the discussions, said that there was a 'new reality' in Rhodesia following the elections.[1]

NAMIBIA

The Government's policy on the question of Namibia was outlined by Lord Carrington in his House of Lords statement on 22 May.

Lord Carrington said that a pattern for peaceful progress could be set in Southern Africa if internationally recognised independence was achieved for Namibia (and Rhodesia) but that if there was a failure to do this 'the prospect of bloodshed in Southern Africa and damaging implications much further afield will be grave'. It was for this reason that the Government believed that the best solution for Namibia remained the implementation of elections under United Nations supervision as proposed by the five Western powers (Britain, Canada, France, the Federal Republic of Germany and the United States). Lord Carrington added that Britain was consulting its Western partners about ways of overcoming the remaining obstacles, which were formidable. He also informed the House that the Parliamentary Under-Secretary of State at the Foreign and Commonwealth Office, Mr Richard Luce, would be sent to Lusaka, Cape Town and Windhoek 'to find out from those most directly concerned how they see the chances of making progress towards a peaceful settlement'. (Mr Luce left for Africa on 22 May.)

Background

The Western proposals, presented to the United Nations Security Council in April 1978 after talks with the parties involved, provide for an internationally acceptable transition to independence in Namibia through free elections under United Nations (UN) supervision and control (see pp 155-8, 1978). The Western proposals were accepted by South Africa on 25 April and in July were endorsed by the Security Council. Mr Martti Ahtisaari of Finland was appointed as UN Special Representative for Namibia (see pp 290-2, 1978).

Following Mr Ahtisaari's return to New York in August from a visit to Namibia, the UN Secretary-General, Dr Kurt Waldheim, reported to the Security Council on 30 August proposing that a peacekeeping force should be sent to Namibia consisting of 7,500 troops, 360 police and a civilian team of 1,200 officials. The role of the force would be to monitor the cessation of hostilities between South African troops and the guerrillas belonging to the South West Africa People's Organisation (SWAPO) and so establish conditions enabling

[1]In a statement made on 7 June, President Carter said that he was convinced that the interests of the United States and of the people of Zimbabwe Rhodesia would not be served by lifting sanctions. Although some encouraging progress had been made in Zimbabwe Rhodesia, it had not been sufficient to satisfy the provisions of the Case-Javitts amendment (which, in mid-1978, set down specific conditions for the lifting of sanctions by the United States).

elections to take place. Dr Waldheim also suggested that the independence elections should be held after a seven months' preparatory period (see p 350, 1978).

In a letter to Dr Waldheim on 6 September, the South African Foreign Minister, Mr R. F Botha, objected to the proposed size of the UN force and described the proposal for the police contingent as 'unacceptable'. He also had misgivings about the seven-month preparatory period. Four days later SWAPO offered a ceasefire with South Africa and said that it would, with reservations, accept Dr Waldheim's report.

On 20 September the then South African Prime Minister, Mr John Vorster, said that Dr Waldheim's report deviated in major respects from the original Western proposals and that South Africa would call an election in Namibia in December (see p 351, 1978). SWAPO's reaction was to call for an intensification of the armed struggle.

Dr Waldheim's recommendations on the implementation of the Western proposals were approved on 29 September by the Security Council in resolution No 435 which called on South Africa to co-operate (see p 351, 1978). On 3 October the new South African Prime Minister, Mr P. W. Botha,[1] explained that the decision to go ahead with elections did not rule out the implementation of Dr Waldheim's report. Further negotiations took place in October between the Western foreign ministers and the South African Government; a joint statement issued after the talks recommended that Mr Ahtisaari should resume discussions with the Administrator-General of Namibia, Mr Justice Steyn, in order to work out the modalities of elections under UN supervision and to fix a date for them. The Western foreign ministers reiterated their view that the December elections planned by South Africa were null and void (see pp 391-2, 1978). SWAPO rejected the plan for further talks between Mr Ahtisaari and Mr Justice Steyn.

On 13 November the Security Council passed resolution 439 (the five Western powers abstaining) calling for the immediate cancellation of the December elections (see p 428, 1978). These began on 4 December and were won by the Democratic Turnhalle Alliance which obtained 82 per cent of the votes cast (268,130 out of 326,264) and 41 of the 50 seats in the assembly.

During a UN General Assembly debate in December, Britain, speaking on behalf of the Western powers, called for the establishment of a UN presence in the early part of 1979 to prepare for internationally supervised elections and urged the swift completion of consultations between Dr Waldheim and the South African Government to settle the electoral arrangements. On 22 December the assembly in Windhoek passed a resolution accepting UN-supervised elections in 1979. The next day the South African Foreign Minister advised Dr Waldheim that South Africa would co-operate in implementing resolution 435 and proposed that Mr Ahtisaari should visit Southern Africa to complete consultations.

Mr Ahtisaari's talks lasted from 12 January to 13 February, discussions being held in South Africa, Namibia, Mozambique, Tanzania, Angola, Botswana, Zambia and Nigeria. In a report presented to the Security Council on 26 February, Dr Waldheim proposed 15 March as the date for a ceasefire and the beginning of the UN transitional operation to prepare for elections. In conjunction with this, all South African forces would be restricted to base followed by a phased withdrawal from Namibia. Any SWAPO forces in Namibia would be restricted to bases at locations designated by the UN Special Representative and those outside to bases in neighbouring countries; although not providing for UN supervision of the bases outside Namibia Dr Waldheim's proposals requested these neighbouring countries to help ensure border tranquillity, and satisfactory assurances had been received. On 6 March the five Western powers described Dr Waldheim's report as a fair and reasonable interpretation of the settlement plan.

The South African Foreign Minister, Mr R. F. Botha, responded on 5 March by saying that the Secretary-General's report contained 'serious deviations' from the plan accepted by South Africa. Mr Botha emphasised that UN monitoring of SWAPO forces outside Namibia was necessary and said that SWAPO had no right to designated bases inside Namibia. A letter from SWAPO to Dr Waldheim on 6 March rejected UN monitoring of its forces outside Namibia.

Further talks took place in New York in March between the five Western powers and South Africa, the foreign ministers of Angola, Botswana, Mozambique, Tanzania and Zambia, and representatives of SWAPO. On 27 March the five Western ambassadors in Cape Town handed a message to the South African Government containing proposals for implementing the settlement plan based on understandings reached in the New York talks. This was followed on 31 March by a visit to Windhoek where they discussed the outcome of the talks with internal Namibian political groups. The South African Prime Minister, Mr P. W. Botha, said that, subject to the advice of the assembly in Windhoek, South Africa intended to implement the agreement on Namibian independence reached with the Western powers in April 1978.

On 20 April the Windhoek assembly rejected Dr Waldheim's report of 26 February but said that doors should remain open for further international negotiations. It also resolved that an interim authority with legislative and executive powers should be installed by May. A Democratic Turnhalle Alliance proposal to change the assembly's name to 'National Assembly' and give it certain legislative powers was passed by the assembly on 3 May.

In his reply to the Western powers on 7 May, the South African Foreign Minister, Mr R. F. Botha, rejected Dr Waldheim's report as a basis for a settlement but said that South Africa was willing to implement the original proposal as formulated in April 1978. Mr Botha also said that South Africa had decided to grant a limited form of internal self-government to the assembly in Windhoek. On 14 May Mr Justice Steyn

[1]Mr Vorster resigned as Prime Minister on 20 September 1978.

announced the establishment of a 'National Assembly' with legislative powers.

Following these developments the Namibian question was discussed by the General Assembly which passed a resolution on 31 May describing the Windhoek assembly as 'fraudulent and illegal' and calling upon states not to recognise it.

TRADE WITH SOUTH AFRICA

Government views on trading links with South Africa were expressed in the House of Commons on 25 May by Mr Cecil Parkinson, Minister of State at the Department of Industry.[1]

Mr Parkinson said that civil trade with other countries should be determined by commercial considerations and not the character of their governments. An economic relationship with a country did not imply approval or disapproval of that country's internal or external policies or its politics. This was the context 'within which [Britain's] trading relationship with South Africa is and should continue to be determined'. He pointed out that South Africa was Britain's sixteenth most important market and that the British share of the South African market was nearly 17 per cent in 1978. Overseas trade was a life support system for Britain, and trade with a country such as South Africa could not be reduced without endangering Britain's own economic health. International trade was highly competitive, and other countries were taking an increased interest in the South African market. Such competitors would readily take Britain's place unless efforts were made to expand British markets overseas. Furthermore, certain imports from South Africa such as chromium, manganese, platinum and vanadium were of great importance both to Britain and to other Western countries. Trade with South Africa was therefore not peripheral but of central importance to the British economy.

Turning to South Africa's internal policies, Mr Parkinson described the job preservation laws as 'despicable' and said that the expansion of the South African economy had created a demand for skilled labour which could not be met from the white population. He argued that South Africa needed more foreign investment to promote economic growth which would be the best way of ensuring the changes that Britain desired in South Africa's approach to its black citizens.

Mr Parkinson welcomed signs that attitudes in South Africa were changing for the better, and that British companies had recognised the fact that they had 'social obligations to their employees in South Africa as well as responsibilities to their shareholders'. The Government would continue to encourage British companies to implement the code of conduct for companies with interests in South Africa, a code adopted by the nine member states of the European Community (see p 212, 1978).

[1]*Hansard*, cols 1386-90

Commonwealth Development Corporation

The annual report[1] of the Commonwealth Development Corporation (CDC), published in May, shows that the Corporation's commitments in productive enterprises in developing countries totalled a record £59·2 million in 1978, bringing its total investment commitment at the end of the year to over £379 million. This was spread over some 250 projects in more than 40 countries. Of the total committed, £142·7 million was for basic development, including power and water, housing finance and transport; £160 million for primary processing and production; and £76·6 million for industry and commerce. The CDC's investments by region are shown in the table (see p 155).

The CDC is a statutory body, established in 1948, whose main source of funds is exchequer advances, which are allocated from the aid programme. Since 1969 it has been empowered to operate in non-Commonwealth as well as Commonwealth countries. (By the end of 1978 it had investments in nine non-Commonwealth countries.) The Corporation invests in the development of resources, material and human, choosing its projects principally for their development value to the country concerned. At the same time, it operates on commercial lines so as to provide a reasonable rate of return on the money invested, and is required to pay its way taking one year with another. Its operations are undertaken only with the full consent of the host countries and are complementary to official aid programmes, private sector investment and to international measures aimed at improving the terms of trade of the developing countries.

Investment Strategy

The CDC's investment strategy is directed towards helping the poorest groups in the poorer countries to earn by their own efforts the means for providing not only for their basic human needs, but also a surplus with which to stimulate economic growth through their own effective demand. In practical terms, since the mass of the poor live on the land, the CDC's commitments for the past few years have been concentrated on agricultural projects, which, through the combination of technical expertise and capital, assist large numbers of people in the rural areas, either as workers on estates or as smallholders, to increase production beyond their own immediate needs. In 1978, 27 new commitments were approved, 12 of which, comprising 53 per cent of the funds provided, were for new agricultural projects or the expansion of existing projects. These comprised the production and, in most cases, processing of rubber, oil palms, sugar, citrus, agricultural seeds, beef cattle and the tropical beverages – tea, coffee and cocoa. These projects, it is hoped, will have an

[1]*Commonwealth Development Corporation: Report and Accounts 1979*. HMSO, £3. ISBN 0 11 903700 1.

CDC Investments and Outstanding Commitments by Region at end-1978

£ thousand

Region	Invested	Outstanding commitment
Caribbean	50,947	4,368
East Asia and Pacific Islands	69,685	26,529
East Africa	45,211	24,421
Central Africa	56,574	18,341
Southern Africa	35,483	15,095
West Africa	15,779	15,502
Other Areas	1,423	—
Total	275,102	104,256

increasingly significant impact on the economies of the countries concerned, not only by resulting in substantial benefits to the foreign exchange earnings of the host countries, but also by enabling many thousands of small farmers and labourers to earn incomes which should in turn create a demand for goods and services in the rural areas.

The other 15 new commitments complemented the general strategy. The greater part of the capital provided was for projects processing for home markets, or for export, raw materials produced locally in which textiles, pulp and paper manufacturing and tobacco packing figure prominently; for hydro-electric generation which reduces dependence on imported oil and brings electricity to the rural areas; for large-scale industry, housing for lower income groups and hotels; and for a number of local development companies, established over the years by CDC initiative, which in turn promote and support small and medium-sized industries providing much-needed employment and opportunities for learning new skills.

In 1978, about 86·5 per cent of the Corporation's new commitments was placed in the poorer group of countries (that is, those with a 1976 *per capita* income of less than $280). Taking the past four years together, the proportion committed to the poorest countries was 86 per cent, while over the same period 62 per cent was provided for renewable natural resources projects. The CDC believes that it is unique among the bilateral and multilateral development agencies in achieving such a high proportion in these respects. It is also among the small minority of bilateral agencies which do not tie their money to the goods and services of their own countries and whose capital contributions may be used for local as well as offshore costs.

New Projects

Most of the CDC's new commitments in 1978 were for projects in Africa, among these a loan of up to £11 million towards the development of Tanzania's first integrated pulp and paper mill at Mufundi. In Malawi, the Corporation invested in five new projects, including loans of £3·2 million and £1·5 million respectively for smallholder coffee and sugar schemes and an investment in a seed-producing company. Other commitments in Africa included a loan of £3·5 million for a rubber development project in Liberia, of £3 million for an oil palm complex in Ghana, and of £2 million for a sugar cane irrigation project in Mauritius. Outside Africa, the CDC made new investments in Fiji – of £5 million and £3 million respectively for hydro-electricity and port development – and Indonesia.

GATT Tokyo Round

Negotiators from the main developed countries and the European Community initialled agreements in Geneva in April which marked the conclusion of most aspects of the Tokyo round of the General Agreement on Tariffs and Trade (GATT), which aims at removing barriers to international trade.

The principal points are: phased cuts, averaging 25 to 30 per cent, in the industrial tariffs of the main industrial trading partners of the European Community, matched by equivalent reductions in the Community's common external tariff; an agreement on public purchasing, aimed at increasing opportunities for exporters to bid for government contracts; an agreement on standards aimed at reducing barriers to trade arising from product standards and certification requirements; an agreement on subsidies and countervailing duties[1] concerned with the application of the rules of GATT on these matters; an agreement aimed at prohibiting unfair and arbitrary methods of customs valuation; reductions in the barriers on British exports and imports of certain agricultural products and processed food and drinks; and favourable treatment of developing countries.

An article summarising the Tokyo round appeared in *Trade and Industry* of 11 May.

BACKGROUND

The Tokyo round of negotiations, covering both tariff and non-tariff barriers to trade in industrial and agricultural products, giving particular attention to the trade problems of developing countries, and providing for the possibility of improvements in the general agreement itself, was launched in Tokyo in 1973 (see p 394, 1973). An outline of GATT is given at the end of this article.

A trade negotiations committee, made up of representatives of the countries involved (over 100), has guided negotiations in their substantive phase since February 1975 at the headquarters of GATT in Geneva. Much of the detailed work has been done in sub-committees and bilateral discussions.

[1]Duties imposed by an importing country to offset the benefit of a subsidy on exports.

Benefits to Britain from the negotiations include tariff concessions in export markets, the general acceptance by developed countries of the current criteria used by GATT for the imposition of countervailing duties and the conclusion of agreements which are expected to help to establish fair play over non-tariff barriers.

DETAILS OF AGREEMENTS

Industrial Tariffs

Most of the industrialised participants offered cuts in their industrial tariffs averaging between 25 and 30 per cent. The United States offered to cut its tariffs on exports from the European Community by an average of about 30 per cent while Japan offered a cut of about 25 per cent on its effective rates on exports from the Community. For its part, the Community offered to reduce the average level of its common external tariff from about 9·8 per cent to about 7·5 per cent. The tariff deals were balanced with the aim of ensuring that the main participants offered each other's exports roughly the same level of concession as was obtained in return.

The so-called 'Swiss formula' for cutting tariffs was used, according to which high tariffs are cut proportionately more than low ones. This increases the extent to which tariffs of different countries are aligned. Within this framework negotiators made a substantial number of partial or full exceptions to the general formula for the benefit of industries particularly sensitive to competition from abroad. For example, in the majority of those sectors most vulnerable to foreign competition, such as the motor industry, television sets, fertilisers, cutlery and shoes, the Community made no or else relatively small offers. Some of the concessions made on tariffs on textiles and paper in negotiations with the United States caused concern in the industries affected but offsetting measures were agreed to assure them against the possibility of disruptive competition from the United States. In the case of textiles, 'worthwhile' opportunities for exporters to the United States were obtained, according to *Trade and Industry*.

In return for the concessions it made, the Community obtained benefits for its exporters. The United States, for example, abolished the 'American selling price' system of tariffs[1] on

[1]According to this, duty on certain goods is based not on their landed value but on the (higher) actual selling price in the United States of similar domestically produced goods.

chemicals and offered to reduce all its tariffs on chemicals (of which the highest were over 40 per cent) to 20 per cent or below. The United States also offered concessions on its high tariffs on tableware as did Japan on certain electrical goods, including computers.

Most of the cuts in tariffs will be implemented in eight equal annual stages over the years 1980-87. For certain sensitive industries, notably steel, textiles and ceramics, tariff cuts will not start until 1982. As an additional safeguard the Community reserved its right to stop the cuts in 1984 if it judges this to be required by the prevailing economic circumstances.

Non-tariff Codes

Public Procurement

An agreement on public procurement, which aims to make it easier for firms in signatory countries to compete for contracts to supply foreign governments, is to come into force in January 1981. The agreement liberalises the purchases of products and supporting services (but not the provision of services alone) on contracts worth some £100,000 and above by bodies under the control of central governments. Exceptions can be made for security and other reasons; the agreement does not apply to defence contracts for military supplies (which include such items as machine tools and footwear for troops).

The procedures by which governments invite tenders and the conditions under which companies submit tenders are to be published and must be made clear. There should be no discrimination between foreign and domestic suppliers. Most major contracts are to be advertised in advance; exceptions to the normal procedures to invite tenders from several firms should be few and are clearly defined. Once a contract has been awarded any eliminated supplier can ask why he was not accepted or not asked to submit a tender; he can also ask who was successful and why. A GATT committee of signatories to the code assists in the settlement of disputes.

Agreement on Subsidies and Countervailing Duties

The agreement on subsidies and countervailing duties spells out in more detail the existing rules of GATT on what governments may and may not do to assist the exports of their industries. It recognises that subsidies may be used to promote important objectives of social and economic policy. The agreement also recognises that subsidies may have adverse effects on the interests of other countries; signatories undertake to seek to avoid such effects. There is provision for consultation and the conciliation of any disputes. A major benefit of this agreement is that all signatories undertake not to apply countervailing duties unless it can be demonstrated that a subsidy causes or threatens material injury to their domestic industry.

In accordance with the rules of GATT, developed counties undertake not to subsidise exports. None of Britain's existing schemes for assisting exports, provided by the British Overseas Trade Board or the Export Credits Guarantee Department, should be affected, the article comments.

Anti-dumping Code

The existing anti-dumping code has been revised so as to bring its provisions into line with those of the agreement on subsidies and countervailing duties.

Agreement on Customs Valuation

Countries which initialled the agreement on customs valuation agreed to greater uniformity in their methods of arriving at the value on which they base their *ad valorem* duties. The charging of duty on an artificially inflated value, which means that the importer pays more duty than he should, constitutes a non-tariff barrier to legitimate trade. The agreement aims at eliminating such practices and minimising the scope for the arbitrary valuation of imported goods by customs officials such as now occurs in some foreign countries; it ends the American selling price system.

Under the agreement the value normally used for assessing duty will be the price paid or payable. Only in certain well-defined circumstances will other methods, for example the value of identical or similar goods, be used; these methods will be applied in a strict order of precedence. For both exporters and importers the result should be greater predictability of the amount of duty. The agreement is to be administered at the political level by GATT and at the technical level by the Customs Co-operation Council. There are provisions for the settlement of disputes between the parties to the agreement about its operation.

Technical Barriers to Trade

The code of conduct for preventing technical barriers to trade is designed to reduce obstacles that result from product standards and systems of certification. The code encourages the use of appropriate existing international standards when a new or revised domestic standard or technical regulation is being drafted. Whenever use of an existing international standard is not appropriate or when no international standard exists, open procedures must be followed during formulation of standards and systems of certification; these procedures include the publication of proposed measures and the taking into account of any comments. The code is not, however, intended to interfere with the right of countries to adopt appropriate standards to protect health, safety or the environment.

Standards, both voluntary and mandatory, and systems of certification promulgated by central, state and local governments, as well as standardising bodies, are subject to the provisions of the code. The provisions apply to new and revised standards and systems of certification; implementation of the code will not involve any change to existing standards or systems of certification. Nevertheless, if a signatory believes that an existing measure conflicts with the obligations of the code it may raise the matter in the committee of

signatories and use the mechanism for the settlement of disputes to seek a mutually satisfactory solution.

Agreement on Import Licensing

The agreement on import licensing aims at ensuring that procedures for import licensing do not in themselves act as restrictions on imports, whether they relate to licensing aimed at quantitative restrictions or at monitoring intended imports.

Agreement on the Aircraft Sector

An agreement on the aircraft sector covers both tariff and non-tariff matters. Signatories agreed to reduce to zero their tariffs on aircraft, aero-engines and related products and also gave various undertakings on such matters as purchasing and government support for projects and standards.

Safeguards Against Disruptive Imports

One major area in the negotiations – safeguards against disruptive imports, that is imports which cause injury to domestic industries – remains to be settled. There are various objectives: for example, the United States seeks improved procedures within GATT before an importing country adopts such safeguards, while the European Community seeks recognition, as part of the total agreement, that such action may be taken selectively. It is hoped that agreement on both these aspects will be possible by July, in time for the United States to include suitable provisions in its implementing legislation. In any event, the Council of Ministers of the European Community recognised in April that action of this sort had already been taken on a selective basis and that such precedents would be taken into account in future action by the Community.

Agriculture

Britain has been interested in obtaining improved access for imported food for the British consumer from the United States, Australia, New Zealand and elsewhere and in obtaining improved overseas markets for exports of processed foods. In the event, the European Community agreed action in a number of areas. These include a reduction in tariffs on a range of food and agricultural products, including fresh fruits and vegetables, and on tobacco; improved access for beef from the United States, Argentina and Australia; improved access for cheese from New Zealand and Canada; and concessions for imported turkey parts, subject to review in certain circumstances. There are also to be lower tariffs on certain types of fish, including cod and salmon.

Participants in the negotiations reached agreement on arrangements for dairy products and beef; the prime aim was to encourage stability in the international market for these products. Britain attached importance to the reaching of an agreement between the Community, on the one hand, and New Zealand and Australia, which used to be major suppliers to Britain, on the other. The Community agreed a quota giving access to about 10,000 tonnes of cheese from New Zealand, while improved access for 5,000 tonnes of beef from Australia was also agreed

In return for the concessions it made, the Community obtained important concessions for British exporters. The wine gallon method of tax assessment in the United States, whereby imports of Scotch whisky are subject to extra tax, is to be abolished; its abolition was a major British objective. Canada agreed to give undertakings about the discriminatory practices of its liquor boards and the United States is to increase substantially quotas on cheese from the European Community. Of interest to British exporters are offers by various countries of tariff concessions on spirits, chocolate confectionery, cocoa powder, biscuits, cakes, pastry, sardines and citrus juices.

Developing Countries

In accordance with the aims set at the outset of the Tokyo round, the developing countries were accorded specially favourable treatment. The European Community and various other developed countries offered, and implemented in advance, tariff concessions on tropical products. The Community and others offered tariff cuts greater than those required by the standard formula for tariff-cutting on a range of products of interest to the developing countries. Some developing countries offered, in return, modest concessions consistent with their needs regarding development, finance and trade.

The non-tariff agreements incorporate special provisions for developing countries, for example a reduction in the level of obligation they are asked to undertake and the granting of extended transitional periods before obligations become effective. There were also some changes in the rules of GATT to meet the needs of developing countries. One major example is a new rule modifying the 'most favoured nation' principle of non-discrimination in GATT to permit specially favourable treatment for developing countries.

These arrangements do not meet all the objectives that were sought by developing countries. However, some of the more advanced developing countries indicated a willingness to subscribe to non-tariff codes and the developed countries, in view of their efforts to make concessions for developing countries to the greatest extent possible, hope, the article says, that most developing countries will in due course be able to support the outcome of the trade negotiations.

THE GATT – AN OUTLINE

The GATT is a multilateral treaty aimed at liberalising world trade. Over 80 governments subscribe to it (see below) and together they account for more than four-fifths of world trade. As well as laying down agreed rules for international trade, GATT is the principal international body concerned with negotiating the reduction of trade barriers and with international trade relations.

The antecedents of GATT date from before the 1939-45 war. GATT itself was set up by general consensus after preparatory work had been done in the United Nations; the abandonment of wider plans left GATT as the established multilateral

instrument for laying down rules about international trade.

The original general agreement came into force in January 1948 and was signed by 23 countries. The most notable exceptions were the Soviet Union and a number of centrally planned economies, some of which have continued to remain outside the agreement. The Federal Republic of Germany, Italy, Japan and the Scandinavian countries all became signatories subsequently.

Eighty-four countries are now members of GATT while a further 24 apply its rules to their trade, pending final decisions as to their future policies. In addition, three nations have acceded provisionally to GATT. Centrally planned economies that are now signatories are Czechoslovakia, Poland, Romania and Yugoslavia. However, the Tokyo declaration launching the current round of multilateral trade negotiations made it clear that all countries, members and non-members alike, were invited to take part in the discussions.

The original general agreement had, as its principal aim, 'the substantial reduction of tariffs and other barriers to trade'; this has remained the objective. Between 1949 and 1979 six major rounds of trade negotiations have taken place, the latest of which was the Tokyo round.

International Energy Agency

The ministerial governing board of the International Energy Agency (IEA) has stressed the need for greater international co-operation in resolving world energy supply problems. The ministers say that the world energy supplies will be tight for the foreseeable future, and that the oil supply system in particular will have less flexibility. At a meeting on 21 and 22 May, therefore, they confirmed a decision by IEA countries to reduce demand for oil on the world market, and reviewed the prospects for other forms of energy, particularly coal. In view of the possible economic constraints resulting from the energy supply problems, the ministers concluded that IEA member countries would need to keep energy policy at a high level of national priority.

A meeting of the governing board of the IEA[1] was held at ministerial level in Paris on 21 and 22 May under the chairmanship of Britain's Secretary of State for Energy, Mr David Howell. A communiqué and a set of proposals on coal policy were issued at the end of the meeting.

Mr Howell's Introductory Remarks

Mr Howell said that IEA countries were 'living dangerously'. They were likely to be dependent on 'increasingly uncertain oil supply sources ... during the next decade or two'. 'The issue and challenge', he said, 'is to create and carry through national and international programmes which will move away from oil dependence towards more abundant energy sources ... and eventually renewable energy resources.' He believed the ministerial meeting could give renewed impetus to national energy programmes, and warned that 'if we fail to come to grips with the energy problem, almost all other areas of domestic and international concern will suffer'.

COMMUNIQUE

The ministers agreed that 'energy supply and demand problems are serious and likely to continue, and that immediate and strong action is urgently required'. Recent oil market developments (particularly supply limitations and price increases) were causing current difficulties and casting further doubt upon medium and long-term prospects. The situation could produce major economic constraints. The ministers therefore confirmed the decision by IEA countries (see p 105) to reduce their demand for oil on the world market in the order of 2 million barrels a day, corresponding to about 5 per cent of IEA consumption, and decided that: (a) IEA countries would take immediate steps to achieve that result, including pricing policies, strengthened voluntary programmes, and mandatory action where necessary to reinforce the effect of other measures; (b) IEA countries would pay particular attention to oil stock levels; (c) measures to reduce the demand of IEA countries for oil on the world market would also be necessary for 1980; and (d) the appropriate bodies of the IEA would undertake an analysis of the operation of the oil market.

Review of Progress and Prospects

Reviewing progress made by the IEA countries in implementing the principles for energy policy adopted at the last ministerial meeting (see pp 443-4, 1977), the ministers noted that the objective of limiting oil imports to 26 million barrels per day in 1985 seemed 'capable of realisation', but expressed 'deep disquiet that the achievement of this objective might result principally from a lower level of economic growth than had been assumed when the objective was established'. They agreed that an objective for 1990 should be considered and that in that context the 1985 objective should be reviewed. All IEA countries should, in their view, give much higher priority to the development of effective long-term policy measures designed to achieve the objective, and the effectiveness of these measures should continue to be monitored closely by the IEA. They noted 'the important contribution which would need to be made by IEA countries with larger economies'.

The ministers considered the medium and long-term energy outlook and concluded that 'if nothing is done to change present trends, available energy supplies will not be sufficient to support even moderate economic growth'.

Their review of the prospects for world oil production led the ministers to conclude that

[1]The 20 members of the IEA are Australia, Austria, Belgium, Canada, Denmark, the Federal Republic of Germany, Greece, the Irish Republic, Italy, Japan, Luxembourg, the Netherlands, New Zealand, Norway, Spain, Sweden, Switzerland, Turkey, the United Kingdom and the United States.

'there are only limited possibilities for expansion of exports from OPEC countries or elsewhere and that continued dependence on oil to meet growing energy demand can no longer be viewed as a satisfactory option, even in the medium-term'. They therefore decided that 'solutions must be sought in other directions – principally conservation, coal, nuclear power and natural gas', and that 'greater emphasis must be placed on new and renewable energy sources that hold promise for the long-term'.

Coal

Greatly increased coal use was required to meet growing energy demand in the medium and long term, the ministers agreed, and 'this is both desirable and possible in light of the world's abundant coal reserves and the economic advantages which coal already has over oil in many energy markets'. They recognised that 'appropriate coal policies are required now to stimulate capital investments on a scale commensurate with coal's long-term potential'. They also made clear that careful planning was required from the beginning to assure that increased coal utilisation, trade and production proceeded under acceptable environmental conditions. They therefore adopted Principles for IEA Action on Coal and decided upon procedures for review of IEA countries' coal policies (see below).

Conservation

Energy conservation and fuel-efficiency efforts must be intensified and accelerated as a matter of high priority. The main measures which have already contributed to improvement – pricing, investment incentives, consumption standards and public information – should be continued and reinforced. Ministers strongly endorsed the decision to designate October 1979 as International Energy Conservation Month; they noted that this would help to alert the public to the need for energy economies in the following winter heating season.

Nuclear Power

Projections of electricity production from nuclear sources had been lowered repeatedly in recent years, and there was renewed public concern about safety. However, the ministers also recognised that alternative energy sources would not be sufficient to meet growing energy demand in the short and medium term and that undesirable economic and social consequences would result if more nuclear power were not available. They therefore agreed on the need for projected additions to nuclear power supply. They also agreed on the urgent need to ensure that safety systems were sufficient to minimise the possibility of nuclear plant accidents and their consequences, and adequately to inform the public of the results.

Natural Gas

Emphasising the importance of natural gas as the most readily available alternative fuel, the ministers agreed on the need to encourage both indigenous production and international trade in natural gas.

Oil Exploration and Development

Oil exploration and development and enhanced recovery techniques, within IEA and worldwide, should, the ministers considered, be strongly encouraged by policies which promoted the development of reserves, and by appropriate pricing policies. They welcomed the World Bank's decision to expand lending for conventional energy exploration and development in developing countries, and agreed that the appropriate bodies of the IEA should examine both the capability of refineries in IEA countries to increase the yield of light products and the need for policies designed to achieve a better balance between future crude oil availability and refinery installations.

Research and Development

The ministers pointed to the contribution which could be made by intensified research and development programmes including continued work on electricity technologies, on technologies to provide liquid and gaseous fuels as substitutes for oil in transport, domestic and industrial uses, and on the improvement of energy efficiency.

International Co-operation

The objective of IEA countries to make a positive and constructive contribution to international energy co-operation was reaffirmed by the ministers, who therefore agreed that current IEA activities involving developing countries should be continued. They underlined the willingness of IEA countries to discuss energy questions of mutual interest with oil-exporting and oil-importing developing countries.

Other Topics

More progress was necessary on energy price policies that encouraged conservation and promoted indigenous production, the ministers said. They recognised that health, safety and environmental problems were involved in the development of energy policies and they agreed in general that added momentum needed to be given to programmes of public information, stressing the seriousness of the energy position.

Conclusion

The ministers agreed, finally, that 'in view of the dangers which the world energy situation poses for the world economy, IEA countries will keep energy policy at a high national priority and strengthen their co-operation within the IEA with the objective of making an even greater contribution toward stabilising global energy supply and demand'. They also expressed their willingness to meet more frequently in order to keep the situation under review.

COAL POLICY

The ministerial meeting adopted two documents relating to coal policy – 'Principles for IEA Action on Coal' and 'Decision on Procedures for Review of IEA Countries' Coal Policies'.

The 'Principles' provide for increased coal use, primarily through minimising the use of oil in

electricity generation and encouraging the construction of new coal-fired power plants. They call for a favourable investment climate; energy pricing policies which allow coal to develop its full competitive power; reduced uncertainty about national coal policies; a high priority for research and development of advanced coal technology; and constant and careful attention to important environmental concerns. They underscore the importance of the development of transportation systems, port facilities and other infrastructure to handle much larger volumes of trade. They call for co-operative efforts to facilitate the expansion of international trade in coal, especially by means of long-term contracts, and to ensure an economic, fiscal and investment climate which is conducive to coal development.

The 'Decision' provides for a systematic review and consultation process within the IEA to monitor progress in the development of national coal policies as called for in the 'Principles'. Coal policies will continue to be a subject of the IEA's normal country review process. Under a new procedure, taking place at regular intevals (or when major changes occur), IEA countries will report to the governing board and be prepared to consult with other IEA countries under the aegis of the board about major elements of their coal policies and their trade or investment policies relating to coal.

Safety and Pollution at Sea

A number of important measures – covering pollution, pilotage, discipline, and safety and health at sea – are set out in the Merchant Shipping Act, passed in April. In the same month a White Paper[1] was published which discussed a number of proposals to minimise the risk of tanker accidents around the coasts of Britain.

The Act and the White Paper both represent Britain's continuing concerns, as a leading maritime nation and as a country whose coastal waters are congested with shipping, to ensure the safety of seafarers and ships and to protect the seas and coasts from pollution. Britain is especially active in helping to formulate international conventions affecting shipping and in ratifying them to help to bring them into effect.

MERCHANT SHIPPING ACT

The first outline of the Act was contained in a White Paper published in May of last year (see pp 221-2, 1978), and a Bill was introduced in the following November, which received its second reading the same month (*Hansard*, 30.11.78, cols 778-881). The Bill received the Royal Assent on 4 April 1979 and will come into force by degrees commencing later in 1979. The main provisions are as follows:

Pilotage. A Pilotage Commission will be established, charged with the duty of keeping under consideration the organisation and adequacy of pilotage services in British ports and coastal waters and of investigating whether pilotage should be made compulsory in more areas than at present. The Commission will be empowered to take certain steps to implement its proposals for change.

Athens Convention. Provision is made for effect to be given to the Athens Convention relating to the Carriage of Passengers and their Luggage by Sea 1974. The Convention establishes uniform international rules governing a carrier's liability for passengers and luggage.

Liability of Shipowners and Salvors. Provision is made for effect to be given to the (London) Convention on Limitation of Liability for Maritime Claims 1974. This Convention establishes overall limits to a shipowner's liability, according to the size of ship involved, in respect of claims arising from a maritime incident. It replaces earlier legislation, taking into account more recent aspects of liability, such as those relating to nuclear ships and oil pollution, and setting new financial limits.

Prevention of Pollution. Provision is made for effect to be given to the International Convention for the Prevention of [oil] Pollution from Ships 1973 (the Marpol Convention) (see pp 518-19, 1973) and to the Protocol relating to Intervention on the High Seas in cases of Marine Pollution by Substances other than Oil 1973.

Safety and Health on Ships. The Secretary of State for Trade is empowered to make regulations to secure the safety of British ships and the safety and health of persons on them and to give effect to relevant international agreements. These provisions would enable Britain to ratify the 1978 Protocol to the 1974 International Convention for the Safety of Life at Sea. The Protocol lays down rigorous standards for the inspection and certification of cargo ships and specifies machinery and equipment to be carried on certain types of ship.

Discipline. The Secretary of State is empowered to make regulations affecting certain aspects of discipline aboard ships registered in Britain. These include the setting-up of a system of shore-based disciplinary committees in place of the traditional shipboard fines levied by ships' masters. It becomes an offence to possess or take aboard unauthorised liquor on a fishing vessel.

Other provisions concern amendments to earlier legislation on such matters as preliminary inquiries and formal investigations into shipping casualties; the appointment and powers of Department of Trade inspectors; inquiries into the deaths of people on ships registered in Britain; and the

[1] *Measures to Prevent Collisions and Strandings of Noxious Cargo Carriers in Waters around the United Kingdom.* The Government's Observations on the Second Report from the Expenditure Committee, Session 1978-79. Cmnd 7525. HMSO, 60p. ISBN 0 10 175250 4.

timing of proceedings for certain offences, and changes to various penalties.

WHITE PAPER ON MINIMISING TANKER ACCIDENTS

Published on 4 April, the White Paper is a response to an Expenditure Committee report[1] published in January. It notes that work on the report was begun in the aftermath of the *Amoco Cadiz* disaster off the Brittany coast, and that the possible hazards presented by the passage of tankers and other noxious cargo carriers through the waters around Britain's coasts continue to attract considerable public attention and concern.

The White Paper contains observations on 32 recommendations which were set out in the report, covering a wide variety of issues. Points of agreement include the following: that there should be further research into the transport by sea of liquefied natural gas; that traffic separation schemes should be introduced only when needed; that urgent discussion is required about minimising the risk of accidents around the Scottish coasts following the increase in tanker traffic there; that the position in the Dover Strait should continue to be studied closely; that a number of innovations to steering equipment, instrumentation and communications should be considered; that training courses should be reviewed, and more use made of simulators; and that fines for very serious safety offences should be increased. On other recommendations, such as the extension of compulsory pilotage around Britain's coast, the outlawing of insurance against fines, the conferment on port states of powers to detain and prosecute ships constituting a safety risk, and the empowering of coastal states to prevent pollution within their exclusive economic zones, the White Paper accepts that there is substance in the report's arguments, but points out some of the difficulties in following the recommendations made.

In conclusion, the White Paper notes some of the positive contributions to safe navigation that have been made by Britain in international, regional and domestic contexts. An annex contains detailed comments by Lloyd's Register of Shipping on certain of the report's recommendations.

Shorter Notes

REVIEW OF INDUSTRIAL POLICIES

The Secretary of State for Industry, Sir Keith Joseph, outlined the Government's general policy towards industry during the debate on the Queen's speech. He said (*Hansard*, 21.5.79, col 707) that the Department of Industry would be 'reviewing the assistance available, generally and in the regions, with the general aim of reducing the role of Government and taking account of the need to avoid sudden, disruptive changes of the context within which industry takes its decisions'. It would, however, take time to assess the facts and there was bound to be a transitional period. In addition to this review of industrial subsidies, he said (col 713), the Secretary of State for Employment, Mr James Prior, was 'considering job subsidies, each on its merits'. As for the National Enterprise Board (NEB), the Government was considering ways 'to reduce sharply the merchant banking function, to secure the disposal at the right time and on the right terms of many of the holdings and to secure the participation of the private sector in ... NEB initiatives'. The Government was also 'studying the scope for increasing competition in some areas now served by the monopoly nationalised industries'.

COMPETITION AND PRICES POLICY

The Government's intention to proceed with policies to encourage more effective competition was announced in the Queen's speech on the opening of Parliament on 15 May (see p 119).

This was reaffirmed by Mr John Nott, the Secretary of State for Trade, speaking at a press conference immediately afterwards. The Government would, soon after the Whitsun recess, introduce a short Bill to strengthen the powers of the Director General of Fair Trading and the Monopolies and Mergers Commission to enable them to deal, in particular, with prices in conditions of limited competition. The Bill would also give the Director General new powers to investigate the abuse of monopoly power by the nationalised industries.

Mr Nott went on to say that the Director General would be charged with the responsibility of investigating areas where he suspected that competition was limited. If there appeared to be a case of limited competition the Director General would then have the powers either to refer any practices which restricted competition to the Monopolies and Mergers Commission or to make a full monopoly reference under the Director General's existing powers. It was intended that the Secretary of State for Trade should also have the power to request the Director General of Fair Trading to investigate prices in areas which appeared to be of major public concern. However, once again, only where an apparent case of limited competition could be established could a reference be made to the Monopolies and Mergers Commission by the Director General. If no limitation of competition was established the report would be published but no further action would follow. There would be no requirement for firms to notify authorities beforehand of intended price increases or for prices to be frozen during an investigation. The Monopolies and Mergers Commission would be strengthened to enable it to

[1] *Second Report from the Expenditure Committee, Session 1978-79.* House of Commons Paper 105-I. HMSO, £1·75. ISBN 0 10 271679 X.

carry out swifter investigations while the Secretary of State would have the necessary powers to put into effect the recommendations of the Commission.

Mr Nott said that as the first step in its wider review of competition policy the Government had carried out an intensive study of the workings of the Price Commission Act 1977 (see p 296, 1977). It had concluded that, when the proposals for strengthening competition had been passed, there would be no place for the Price Commission; in the meantime the Commission's activities would be run down although all sectoral examinations and nearly all investigations into individual companies currently being conducted would continue. Mr Nott announced that an Order would shortly be made relieving firms of the need to notify intended price increases to the Price Commission. He concluded by expressing his belief that these proposals would 'considerably reduce the burden on industry while improving competitive forces'.

BRITISH AEROSPACE

British Aerospace (BAe) made a trading profit of £79 million before tax in 1978 and exported goods valued at some £487 million, 55 per cent of the total sales turnover of £894 million. This was announced in the corporation's annual report and accounts for 1978,[1] the first full year of BAe as a single trading organisation (see pp 193-4, 1977).

Some £11 million was provided in 1978 out of trading profits for new project launching costs, compared with £5 million in 1977. After this provision and loan interest and tax, net profit in 1978 was £29 million (the gross figure of £79 million was arrived at after making provision towards possible losses arising from termination of contracts in Iran (see p 26)). The total order book stood at £2,951 million at the end of 1978 (of which 69 per cent was for export), an increase of more than £650 million compared with 1977.

THIRD LONDON AIRPORT

The Study Group on South East Airports (see pp 70-2 and 330, 1978), which is studying possible sites for a third London airport, has identified six locations for further consideration. The group has been considering all options within about 60 miles (about 100 km) of central London, ruling out areas unsuitable from the points of view of topography, air traffic control, environment and defence. Further consideration of locations within the broad areas remaining has narrowed the possibilities down to six.

The six locations, listed in a progress report issued by the group on 18 May, are: Hoggeston, Buckinghamshire; Langley, Hertfordshire/Essex borders; Maplin, Essex; Stansted, Essex; Willingale, Essex; and Yardley Chase, Northamptonshire/Buckinghamshire borders. The group will now evaluate these options in detail and a report on its findings, together with the views of the Advisory Committee on Airports Policy (see p 330, 1978), is expected to be submitted to ministers in the autumn of 1979.

The group considered the size and role of the proposed airport, bearing in mind the latest air traffic forecasts which suggest that demand will continue to grow and that new airport capacity will be required in the late 1980s, even with the developments currently envisaged at the existing airports. The chief criteria for site selection were: factors determining physical feasibility; operational considerations; and the implications of airport development (such as the incidence of airport noise, and the effects on employment, the regional economy and urban structure, agriculture and natural resources, and the natural environment).

HEAVY GOODS VEHICLES

The Government's decision to proceed with an independent inquiry 'to consider the cause and consequences of the growth in the movement of freight by road and, in particular, of the impact of the lorry on people and their environment, and to report on how best to ensure that future developments serve the public interest' (the same terms of reference as those announced by the previous Government on 28 March) was affirmed by the Secretary of State for Transport, Mr Norman Fowler, on 22 May (*Hansard*, written answers, col 108). Mr Fowler said that while the Government recognised the concern about heavy lorries, they carried about two-thirds of Britain's freight traffic and were of great importance to the economy. It was necessary to see how the public interest was best served, taking account of economic benefits, the efficiency of road freight transport, and the damage and disruption which lorries could cause. Mr Fowler added that, in particular, the inquiry would have to face squarely the issue of whether there should be any change in the present limits on maximum weight.

SEAT BELTS

The Government has no plans to introduce legislation to make the wearing of seat belts compulsory (see p 106). Announcing the decision (*Hansard*, 25.5.79. written answers, cols 318-19), the Secretary of State for Transport, Mr Norman Fowler, said that one of the difficulties lay in the problem of enforcement. Nevertheless, his view

[1] *British Aerospace. Annual Report and Accounts 1978.* £2. ISBN 0 906351 01 4.

remained that wearing seat belts saved lives and reduced injuries; his strong advice to both drivers and passengers was therefore to wear them.

VEHICLE EXCISE DUTY

Pending the result of a Government review on the whole operation of vehicle excise duty (VED), the Secretary of State for Transport, Mr Norman Fowler, has announced (*Hansard*, 25.5.79, written answers, col 319) that he will not be proceeding with consultations on the phasing of the change from VED to petrol tax initiated by the previous Government (see p 438, 1978).

WATER INDUSTRY

The Government is not proceeding with the establishment of a National Water Authority as proposed in the previous Government's White Paper (see pp 317-18, 1977 and p 270, 1978) or the associated transfer to the water industry of the Central Water Planning Unit, which will accordingly be wound up. This was announced by Mr Tom King, Minister for Local Government and Environmental Services (*Hansard*, 25.5.79, written answers, cols 287-8), who said that the Government was satisfied that the underlying philosophy of unified river basin management of water services was right and should remain. A range of other matters in the White Paper on which the Government had not yet taken a view would be discussed in detail with the National Water Council and the other interests concerned.

SOCIAL AND CULTURAL AFFAIRS

Education Policy

Aspects of the Government's education policy, particularly as it affects England and Wales, were outlined to the House of Commons by the Secretary of State for Education and Science, Mr Mark Carlisle, on 16 May, the second day of the debate on the Queen's speech. Legislative proposals include a Bill to remove the compulsion on local education authorities to reorganise their schooling on comprehensive lines; the restoration to local education authorities of the freedom to support pupils at independent schools; and legislation to ensure that parents' wishes are taken into account in the choice of schools for their children. The Secretary of State also discussed the decline in school rolls, academic standards, the school curriculum, teacher training, and further education and training for school leavers.

Secondary Education

Mr Carlisle stated (*Hansard*, cols 211-27) that the Government 'would give the highest priority to a Bill to remove the compulsion on local education authorities to reorganise their secondary schools on comprehensive lines'. (The Bill received its first reading in the House of Commons on 17 May.) The Government had taken the necessary steps to withdraw the requirements under the Education Act 1976 that local education authorities should submit proposals for reorganisation (see pp 87-8, 1976).

Clarifying the position of local education authorities and schools until the Bill becomes law, Mr Carlisle said that authorities which had not submitted proposals would no longer be compelled to do so. Authorities which had already complied would be asked whether they wished their proposals to stand. Local authorities which wished to proceed with reorganisation on the basis of approved proposals would be free to do so.

(There are 44 local education authorities in England where comprehensive reorganisation is complete and 29 authorities which have not yet completed schemes of reorganisation. In Wales five of the eight education authorities had reorganised on comprehensive lines in 1978. The number of comprehensive and middle secondary schools in England was 3,678 in January 1978 or 78·1 per cent of all maintained schools. Over 83 per cent of secondary school children are now attending comprehensive schools. In 1978 there were 305 grammar schools in 59 authorities.)

Assisted School Places

In another Bill to be introduced later, the Secretary of State said, the Government would restore the freedom of local authorities to support pupils at independent schools. In the meantime the Government would be taking the necessary steps to give general approval to local authorities' arrangements to take places at independent schools without prior ministerial approval. (Amending regulations to this effect were laid before Parliament on 23 May.) An alternative scheme, now being put forward by the Government, would provide help for parents through an income-related grant towards fees, and would differ from the direct grant scheme in a number of important respects – for example, so as to ensure a better geographical spread of opportunity. There were many issues to be examined, the Secretary of State continued, and the Government would consult the direct grant and independent schools associations, local education authorities and other bodies.

These proposals however 'do not in any way affect the Government's concern for the maintained system in which the vast majority of children are educated'. The Government wished to encourage the best in both sectors – maintained and independent.

Parental Rights – School Government

The Government, Mr Carlisle explained, intended to introduce legislation 'to ensure that parents' wishes are taken into account' in the choice of schools for their children. Parental choice could not be absolute, he said, but the system of admission to schools should be responsive to their wishes. There should be a local appeals system. If parents were to be able to make a choice they needed information on which such a choice could be based and local education authorities would be required to provide the widest possible information about their schools.

Legislation to be introduced later in the session would include provision on school government, the Secretary of State continued. This would ensure, as a minimum, that each school should as a general rule have its own governing body, and that elected parents and teachers should be included on all governing bodies.

Declining Numbers

Mr Carlisle pointed to the opportunities which, following a fall in the birthrate, declining school rolls would provide for improvements in the qual-

ity of the education service and the relief of overcrowding in the classroom. There were, however, problems as well as opportunities. As school rolls fell, positive steps would be needed to protect the curriculum. This would depend on the deployment of the available teachers. The crucial question was how to maintain and improve educational opportunities as schools became smaller.

Educational Standards and the Curriculum

One of the Government's priorities is with the education standards in schools. Standards of behaviour are regarded as being just as important as academic standards, and the Department of Education and Science will be giving close attention to the problems of truancy, especially among those in their final year at school.

The Secretary of State said that the debate on education, initiated by the previous administration (see pp 444, 1976 and 319, 1977), made it clear that there was a need to ensure that, as social and economic standards changed, schools' curricula 'should reflect those changes while continuing to provide a thorough grounding in the basic education skills'. The Department of Education and Science would shortly publish a report on schools' curricula based on a survey of local education authorities' arrangements in their own areas. The Government would then open discussions with local education authorities, teachers and other interested parties, with the aim of reaching agreement on the steps that should be taken to help ensure that the aims and curricula of individual schools match the needs of the day.

The Government welcomed the move towards higher standards of entry to the teaching profession. It wished to see more emphasis placed on the practical skills required to encourage good work and good behaviour from pupils, and welcomed the increased attention now being given to those matters in training institutions.

School Leavers

The Secretary of State for Education and the Secretary of State for Employment are examining the relationship between schools, further education and training.

Concluding his speech, Mr Carlisle said that the Government's aim was to provide the highest standards of education obtainable but that in the end this depended on the resources that the country could provide. 'The need to revive the economy must remain a paramount issue. It is only out of that revival and the wealth that it creates that we shall be able to provide the standards that in a civilised society we all wish to see.'

The Open University

The Open University was established ten years ago on 30 May 1969 when it received its charter as an independent organisation able to award its own degrees. It is now Britain's largest university with over 78,000 students. Since the first Open University courses began in 1971 more than 32,000 people have graduated. More than half of the students who joined the university in its first year have now obtained their degrees and one in five of them has qualified for an honours degree.

Since staff and students do not come together on a campus, the Open University uses a variety of teaching methods to make university education available to adults who can obtain it only through study in their spare time. Students need no formal academic qualifications for admission; they are normally over the age of 21 – the average age being 30 – and they are usually in full-time employment and living at home. There they receive, from the university's headquarters at Milton Keynes, specially produced teaching materials including correspondence texts which are supported in most instances by radio and television programmes transmitted by the British Broadcasting Corporation (BBC). About 300 television and 300 radio programmes are produced annually by the BBC in partnership with the Open University and are transmitted for about 26 hours a week on radio and 35 hours on television. Students also have course tutors who grade and comment upon written work and who hold tutorials at one of more than 260 local study centres throughout Britain. The study centres are equipped with radio and tape replay facilities and about 180 of them have computer terminals needed for some courses. For many courses students attend one-week residential summer schools. In 1978 more than 30,000 students did so.

A degree is built up on a credit system – one credit for each successfully completed course determined on the basis of continuous assessment and a three-hour exam. Six credits qualify a student for an ordinary degree and eight for an honours degree. Students may be awarded up to three credit exemptions for work successfully completed elsewhere but most students take about six years to obtain an ordinary degree and eight for an honours degree. Of the 5,300 graduates in 1978, a quarter had less than the normal qualifications for university, and more than a third of them had left school before the age of 18. They included a professional footballer, a cartoonist, and a hospital driver. In the university's earlier years the largest proportion of applicants were teachers and professional people; now nearly one-third of all applicants are manual, clerical and technical workers. The cost to the student of a degree course varied between £700 and £1,600 in 1977. In 1978 the university had 514 postgraduate students, the majority of whom worked independently in their own time and mainly at their own expense.

Like other British universities, the Open University is financed largely from public funds but the finance is received directly from the Department of Education and Science rather than from the University Grants Committee. The Department's grant for current expenditure is £20 million, and

about 89 per cent of the university's income comes from central government. The university produces graduates more cheaply than other universities, partly because it saves on capital costs as students are living and studying at home and contribute to the economy by working while earning their degrees. Further economies are achieved by making additional use of existing facilities such as those provided by residential universities and the BBC and by using local colleges for study centres. The method of teaching and course production employed by the university also means that a relatively small central academic staff produces teaching materials that reach a large student population.

These special features, together with the university's success in Britain, have created international interest in teaching techniques which can reach, at reasonable costs and with limited resources, a widely dispersed student population. The university's experience has helped in the creation of several similar institutions in other parts of the world, and its Centre for International Co-operation and Services provides consultancy services overseas.

The Government's Housing Proposals

The Government's proposals for housing were announced in the House of Commons by the Secretary of State for the Environment, Mr Michael Heseltine, on 17 May, during the debate on the Queen's speech. (*Hansard*, 17.5.79, cols 396-411.)

Introducing the proposals, Mr Heseltine said: '. . . our priority of putting people first must mean more home ownership, greater freedom of choice of home and tenure, greater personal independence, whether as a home owner or tenant, and a greater priority of public resources for those with obvious and urgent need.'

The Government believes that: '. . . our economic policies in general will create conditions in which it will be possible for more and better quality homes to be provided by new building, conversion and rehabilitation.'

Specific policies include the repeal of the Community Land Act (see pp 181-3, 1975), the lessening of local authority housing controls and bureaucracy, and the inclusion in a housing Bill to be introduced this session of a new system of shorthold lettings, under which tenants in the private housing sector would have security of tenure for an agreed period, but not for life. Existing lettings would not be affected by the new legislation.

In the public sector, Mr Heseltine announced measures which the Government will take to encourage the sale of council houses (that is, dwellings owned and managed by local and some other public authorities). First, the Government was issuing a more liberal consent, which would allow local authorities who wished to sell their houses greater discretion to do so. Under the new consent tenants of less than three years' occupancy may be offered a discount of 30 per cent; after three years tenants may be offered discounts rising to a maximum of 50 per cent if their tenancy has been for 20 years or more. Safeguards will give an authority the right to buy back at the sale price if the purchaser wishes to move within five years of purchase. Local authorities will also be able to offer vacant dwellings to people other than tenants at discounts of up to 30 per cent, again with safeguards if the purchaser wishes to move within a period of up to eight years, depending on the discount given.

As a second stage, the Government proposes to introduce legislation in this session which would give council tenants the positive right to buy their homes, with discounts, even where local authorities were unwilling to sell.

Explaining the Government's policy on council house sales, Mr Heseltine emphasised two points. First, he referred to the appreciating capital asset which home ownership has provided and argued that: '. . . this dramatic change in property values has opened up a division in the nation between those who own their own homes and those who do not.' Secondly, he referred to the lack of mobility in the labour force occasioned by the difficulties which council tenants (of which there are some 5 million) encountered in trying to move home.

For the Opposition, the former Labour Secretary of State for the Environment, Mr Peter Shore, emphasised Britain's claim to be among the best housed nations in Europe, but noted the absence, in his view, of any specific proposals referring to the primary task of meeting housing need (*Hansard*, 17.5.79, cols 412-21). While the Opposition wished to encourage home ownership as far as possible, Mr Shore opposed the proposal to compel local authorities to sell their houses. In particular, he doubted whether many tenants of flats, as opposed to houses, would wish to buy, and whether many tenants could afford to buy. The sale of council housing to those who were not sitting tenants was, he said, unfair to owner occupiers, who did not have the same advantage, and to those in need who could not afford to buy.

Summing up the debate for the Government, the Minister for Housing and Construction, Mr John Stanley, explained (*Hansard*, 17.5.79, cols 526-43) that the right of council tenants to buy their homes would be enshrined in legislation for a charter for tenants, which, among other provisions, would also facilitate greater mobility.

General Household Survey

The size of households in Great Britain continued to fall in 1977, according to the General Household Survey 1977, largely reflecting an

increase in the proportion of households with one person living alone. [First results of the 1978 survey suggest that family size may have stabilised.] Nearly a quarter of households live in flats. One particular aspect of improving housing standards has been the rapid increase in the number of homes with central heating, to just over half by 1977. Part-time working by women with dependent children continues to increase, to more than one in three in 1977.

The General Household Survey (GHS) has collected information on a wide range of topics in England, Scotland and Wales every year since 1971. The 1977 report[1] includes chapters on leisure activities and on the general health of the population. The first results of the 1978 survey were published on 29 May.[2]

Size of Household

The average size of households continued to fall in 1977 to 2·71, compared with 2·76 in 1976 and 2·91 in 1971. This largely reflects an increase in the proportion of one-person households, from 17 per cent in 1971 to 21 per cent in 1977, and also a slight decrease in the proportion of households with three or four members and a gradual decrease (from 14 per cent in 1971 to 11 per cent in 1977) in the proportion of households with five or more members caused by the trend towards families with fewer children.

The majority of heads of household lived either in one-generation families (51 per cent) or in two-generation families (47 per cent). One-generation families are predominantly the young (63 per cent of those with heads of household aged 16-24) and the old (86 per cent of those with heads of household aged 65 and over). Among heads of household living in two-generation families, 82 per cent were aged 30-44. Because more women than men live beyond the age of 65, elderly women were three times as likely as elderly men to be living alone.

Analysis of fertility figures shows evidence of a recent change in the pattern of child-bearing during the early years of marriage, with an increasing proportion of women still childless after about five years of marriage.

Housing

The survey notes the continuation of certain long-standing trends such as the growth of owner occupation and local authority housing and the accompanying decline of the private rented sector, and the improvement in housing standards.

The report comments that tenure patterns tend to reflect the changing needs of households at different stages of the life cycle. Broadly speaking, furnished accommodation tends to be mainly occupied by the young, house-buyers tend to be mainly young families, and the majority of outright owners and of private renters in unfurnished accommodation tend to be near or over retirement age. In contrast, tenants of local authorities are more representative of all household types, with a slight weighting towards larger and older households.

Nearly one in four households (23 per cent) in Great Britain lived in a flat in 1977, including 5 per cent (of all households) whose main living accommodation was at or above second-floor level. The highest proportion of flat dwellers was found among one-person households, especially among people aged under 60, well over half of whom lived in flats; almost 40 per cent of people over 60 living alone lived in flats. Most children under 16 years of age lived in houses (88 per cent) and only 3 per cent lived in flats at or above second-floor level. However, this last figure varied regionally and 9 per cent of all children in Greater London lived at or above the second-floor level, as did 17 per cent of children under two years of age in Scotland.

Employment

Trends described in 1976 (see p 268, 1978) which have continued in 1977 include a decline in economic activity among men aged 60 and over, owing mainly to earlier retirement, a decline in the economic activity rates for non-married women and (a continuance of the trend since 1945) more married women entering the labour force, with a continuing rise in the proportion of women with dependent children working part-time (35 per cent in 1977 compared with 26 per cent in 1971).

Results for 1977 suggest that there has been a decline since 1974 in the overall satisfaction level of those groups who have always tended to be less satisfied than others with their jobs, namely employees aged 25-34, male junior non-manual workers, and male skilled and semi-skilled manual workers. By contrast, the average score of employees aged 65 and over, who have always been among the most satisfied, maintained the high level at which it has mainly stood throughout the series.

The main reason for absence from work, including strikes, in 1977 continued to be illness or accident.

While noting that GHS unemployment figures were not strictly comparable with those published by the Department of Employment because of different methods of compilation, the survey includes new figures which show that about 10 per cent of all men between 18 and 64 (excluding full-time students and those permanently unable to work) had been unemployed at least once in the year before they were interviewed. Single men were more likely than married men to have been unemployed and the incidence was highest among 18- to 24-year-olds (about 25 per cent). One in four of those who had been unemployed in the previous 12 months were earning less than £40 a week, on average, when they were working whereas less than one in ten of those who had not been out of work in the period earned less than £40.

[1] *General Household Survey 1977*. HMSO, £7·25. ISBN 0 11 700831 1.

[2] *OPCS Monitor* GHS 79/1. Available free from Information Branch (Dept M), Office of Population Censuses and Surveys, St Catherines House, 10 Kingsway, London WC2B 6JP.

Health

The GHS results for 1977 are not comparable with previous years because in 1977 more emphasis was placed on respondents' perceptions of their health. When asked to rate their general state of health over the previous year, 91 per cent of men and 86 per cent of women said it had been good or fairly good. However, more detailed questioning revealed that 56 per cent of men and 70 per cent of women in the sample considered that they had a chronic health problem. In all age groups more women than men said they had health problems of this kind and, as might be expected, the proportions rose with age for both sexes.

Leisure

The inclusion of a chapter on leisure in the report reflects the attention given in recent years to the use of leisure time. As the report notes, increased opportunities for recreation have arisen from a generally higher standard of living and from the mobility afforded by possession or use of a car. More time is available for recreation because of shorter working weeks and longer and more frequent holidays.

The most popular forms of recreation in 1977 were home-based or social. Apart from television (watched at least once in the previous four weeks by 97 per cent of the sample), listening to the radio and entertaining or visiting friends or relatives were the activities most frequently reported – by about 90 per cent. Next most popular were listening to records, gardening (in the summer), going out for a meal or drink, reading and, among women, needlework or knitting. Other popular home activities were playing games of skill and doing football pools, reported by one in five people. Few active sports or games achieved any mass following.

Other activities practised by significant numbers in the peak season were visiting the seaside (16 per cent), visiting historical buildings or sightseeing (17 per cent), dancing (17 per cent) and going to the cinema (11 per cent).

1978 SURVEY

First results of the GHS for 1978 record only a slight increase in owner occupation to 52 per cent in 1978, continuing the slowing down in growth of this sector in the 1970s. The long-term decline in the privately rented sector continued with a further fall to about 9 per cent in 1978. The number of homes having central heating, cars and certain consumer durables continued to rise in 1978 when 52 per cent had central heating, 57 per cent had at least one car or van, 75 per cent had a washing machine, 91 per cent had a refrigerator and 96 per cent a television. The decline in the proportion of adults smoking cigarettes, particularly evident between 1974 and 1976, has become less marked. The proportion of men smoking fell from 51 per cent in 1974 to 46 per cent in 1976 and to 45 per cent in 1978. For women the figures were 46 per cent in 1974 to 38 per cent in 1976 and 37 per cent in 1978.

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Government and Administration

United Kingdom Government Ministers. COI, SN5657/79/2.

Control of Immigration Statistics 1978. Contains statistics of people admitted for settlement in Britain, those admitted with work permits, and European Community nationals issued with residence permits. In 1978 72,350 Commonwealth citizens and foreign nationals were accepted for settlement, compared with 69,300 in 1977. The total number of citizens from New Commonwealth countries and Pakistan was 42,950 – 1,200 fewer than in 1977. Cmnd 7565. HMSO, £1·75. ISBN 0 10 175650 X.

External Affairs and Defence

Additional Protocol to the Agreement between the European Economic Community and [Portugal] of 22 July 1972 with Financial Protocol and Final Act. Cmnd 7526. HMSO, 80p. ISBN 0 10 175260 1.

The Antarctic Treaty: Report of the first Special Consultative Meeting held at London 25, 27 and 29 July 1977 and Recommendations of the Ninth Consultative Meeting held at London 19 September to 7 October 1977 (see pp 417-19, 1977). Cmnd 7542. HMSO, 80p. ISBN 0 10 175420 5.

United Nations No 1 (1979). Report on the proceedings of the thirty-third Session of the General Assembly (19 September 1978 to 29 January 1979) and on the proceedings of the Security Council in 1979 including reports on the Eighth and Ninth Special Sessions of the General Assembly held in April and May 1978. Cmnd 7566. HMSO, £2·50. ISBN 0 10 175660 7.

Commonwealth Development Corporation: Report and Accounts 1979 (see p 154). HMSO, £3. ISBN 0 903700 11 1.

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Economic and Scientific Affairs

The Council for the Securities Industry. Report on the Year to 31 March 1979. Available free from the Council, 20th Floor, The Stock Exchange Building, London EC2N 1HH.

The Stock Exchange. COI, FSB/F6.

Foreign Languages for Overseas Trade. The report of a study group set up in 1978 under the chairmanship of the Duke of Kent to assess Britain's needs for people with knowledge of foreign languages for the successful pursuit of overseas trading interests in the future, and to recommend any appropriate action for the British Overseas Trade Board. Available free from Export Development Division, Room 220, Department of Trade, 1 Victoria Street, London SW1H 0ET.

Advisory, Conciliation and Arbitration Service (ACAS). Annual Report 1978. The report records a continuing high level of demand for ACAS facilities. Requests for conciliation in 1978 totalled 3,338, compared with 3,299 in 1977. Conciliated settlements were achieved, or progress was made towards settlements, in 1,997 or 74 per cent of the 2,706 cases in which conciliation actions were completed in 1978. ACAS received 44,713 cases for individual conciliation (mainly unfair dismissal) in 1978 (43,899 in 1977). Of these 63 per cent were cleared without reference to a tribunal and 37 per cent went forward to the tribunal for hearing. Available free from ACAS, Cleveland House, Page Street, London SW1P 4ND.

Second Report from the Select Committee on Nationalised Industries. Session 1978-79. Consumers and the Nationalised Industries: Pre-Legislative Hearings. HMSO, £3·75. ISBN 0 10 233479 X.

British Aerospace Annual Report and Accounts 1978 (see p 163). Available from HMSO, £2. ISBN 0 906351 01 4.

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Liquor Licensing Statistics for England and Wales 1978. This publication, prepared by the Home Office, shows that at 30 June 1978 there were nearly 87,000 on-licensed premises in England and Wales. At the same date there were over 35,000 off-licensed premises and over 26,000 registered clubs. Available from the Home Office, Room 1813, Tolworth Tower, Surbiton, Surrey KT6 7DS or Queen Anne's Gate, London SW1H 9AT. £3. ISBN 0 903727 69 2.

Tourism, Growth and London Accommodation. Available from the British Tourist Authority, 64 St James's Street, London SW1A 1NF. £1·50. ISBN 0 7095 0141 2.

The British National Oil Corporation, Report and Accounts 1978. BNOC. HMSO, £2. ISBN 0 906049 02 4.

Safety Assessment Principles for Nuclear Power Reactors. The Nuclear Installations Inspectorate of the Health and Safety Executive. HMSO, £1. ISBN 0 11 883235 2.

Catalogue of Geothermal Data. Presents the first stage of an assessment of Britain's geothermal energy potential. Available from the Library, Department of Energy, Room 1020, Thames House South, Millbank, London SW1P 4QJ. £10.

Inland Transport in Britain. COI, R5633.

British Industry Today: Freight Transport. COI, R5900.

London Transport and Traffic. COI, FSB/E3.

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Measures to Prevent Collisions and Strandings of Noxious Cargo Carriers in Waters around the United Kingdom. The Government's Observations on the Second Report from the Expenditure Committee, Session 1978-79 (see p 161). Cmnd 7525. HMSO, 60p. ISBN 0 10 175250 4.

Taxonomy in Britain. Report by the Review Group on Taxonomy set up by the Advisory Board for the Research Councils. HMSO, £3·50. ISBN 0 11 270482 4.

Patents, Trade Marks and Designs. Annual report of the Comptroller-General. House of Commons Paper 2. HMSO, £1·25. ISBN 0 10 200280 0.

Importation of Bees (Prohibition) Order 1979. This Order bans imports of bees from the 28 countries in which bees are known to be infected by the serious disease caused by the parasitic mite varroa. SI 1979, No 587. HMSO, 10p. ISBN 0 11 093587 X.

Social and Cultural Affairs

Report of the Police Complaints Board 1978. Contains a factual and explanatory account of the first full year's work of the independent board introduced under the Police Act 1976 to deal with complaints by the public against members of the police forces in England and Wales. HMSO, 80p. ISBN 0 10 200480 3.

Access for the Physically Disabled to Educational Buildings. Design guidance for those responsible for making educational buildings accessible to the physically disabled. The guidance is concerned with provision to enable disabled people to enter an educational building and to move around, and to ensure their safe escape in emergency. It therefore covers parking facilities, entrances, sanitary conveniences, medical inspection rooms and adequate means of escape in the event of fire. Copies available free from the Department of Education and Science, Honeypot Lane, Stanmore, Middlesex.

General Household Survey 1977 (see p 167). HMSO, £7·25. ISBN 0 11 700831 1.

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